

DOCUMENT RESUME

ED 086 769

UD 014 026

TITLE School Food Program Needs: State School Food Service Directors' Response. A Working Paper.

INSTITUTION Congress of the U.S., Washington, D. C. Senate Select Committee on Nutrition and Human Needs.

PUB DATE Sep 73

NOTE 89p.; Committee Print, Senate Select Committee on Nutrition and Human Needs, 93rd Congress, 1st Session

AVAILABLE FROM Superintendent of Documents, Government Printing Office, Washington, D.C. 20402 (Stock No. 5270-01992; \$0.80)

EDRS PRICE MF-\$0.65 HC-\$3.29

DESCRIPTORS *Breakfast Programs; Economic Factors; Educational Needs; Federal Aid; Federal Programs; *Financial Problems; Food Handling Facilities; Food Service; Food Standards; Health Programs; *Lunch Programs; *National Surveys; *Program Costs; State Agencies

ABSTRACT

Recent increases in the cost of food and labor, while affecting individual families across the Nation, are also affecting food programs supported by the Federal Government. In response to concerns regarding the impact of these increases on the School Lunch Programs, particularly, the Chairman and Ranking Minority Member of this Select Committee instructed the staff to survey the situation. The committee staff sent a questionnaire to State Food Service Directors requesting current information on this year's school food costs, as compared with previous costs, and the effect of these increases on the quality of and participation in the program. There are indications that more recent cost increases will result in somewhat higher estimates than those contained in the responses received by the committee. This working paper contains the individual responses by the State directors; a summary of them; letters from concerned citizens; as well as sample newspaper articles on this problem. Also there is a brief projection, based on studies collected by the Department of Agriculture, of the possible impact with increased lunch prices on student participation. Forty States reported. Findings include the following: the average cost of producing a lunch (in 37 States) was 61.7 cents, with a range of 50 to 85 cents. The cost of producing a breakfast (in 33 States) averaged 30.6 cents, with a range from 10 to 45 cents. (Author/JM)

FILMED FROM BEST AVAILABLE COPY

93d Congress }
1st Session }

COMMITTEE PRINT

ED 086769

SCHOOL FOOD PROGRAM NEEDS:
STATE SCHOOL FOOD SERVICE
DIRECTORS' RESPONSE

A WORKING PAPER

PREPARED BY THE STAFF OF THE
SELECT COMMITTEE ON NUTRITION
AND HUMAN NEEDS
UNITED STATES SENATE

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY.

SEPTEMBER 1973

Printed for the use of the Select Committee on Nutrition and
Human Needs

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1973

20-4770

UD 014026

SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

GEORGE McGOVERN, South Dakota, *Chairman*

HERMAN E. TALMADGE, Georgia	CHARLES H. PERCY, Illinois
PHILIP A. HART, Michigan	MARLOW W. COOK, Kentucky
WALTER F. MONDALE, Minnesota	ROBERT DOLE, Kansas
EDWARD M. KENNEDY, Massachusetts	HENRY BELLMON, Oklahoma
GAYLORD NELSON, Wisconsin	RICHARD SCHWEIKER, Pennsylvania
ALAN CRANSTON, California	ROBERT TAFT, Jr., Ohio
HUBERT H. HUMPHREY, Minnesota	

KENNETH SCHLOSSBERG, *Staff Director*

COMMITTEE PRINTS:

Publications List With Research Reference (73/CP1)
Emergency Food and Medical Services (73/CP2)
Dollars for Food—The Fiscal Year 1974 Budget (73/CP3)
Hunger—1973 (73/CP4)
School Food Program Needs (73/CP5)

(II)

CONTENTS

SCHOOL FOOD PROGRAM NEEDS State School Food Service Directors Response

	Page
Introduction.....	1
Responses from State school food service directors:	
Alabama.....	3
Arizona.....	4
Arkansas.....	5
California.....	6
Colorado.....	51E
Delaware.....	8
District of Columbia.....	11
Florida.....	12
Georgia.....	13
Hawaii.....	16
Idaho.....	17
Illinois.....	18
Indiana.....	19
Iowa.....	19
Kentucky.....	20
Louisiana.....	22
Maine.....	23
Maryland.....	24
Massachusetts.....	25
Michigan.....	27
Missouri.....	31
Montana.....	33
Nebraska.....	34
Nevada.....	35
New Hampshire.....	35
New Mexico.....	37
New York.....	38
North Carolina.....	39
North Dakota.....	40
Ohio.....	41
Oklahoma.....	42
Pennsylvania.....	42
Samoa.....	43
South Carolina.....	44
South Dakota.....	45
Texas.....	51G
Utah.....	46
Vermont.....	47
Virginia.....	48
Washington.....	49
West Virginia.....	50
Wisconsin.....	51
Summary of School Lunch Telegram Survey:	
Forty States reporting.....	53
Projection of impact on student participation.....	55

IV

CONTENTS—Continued

Letters from concerned citizens and groups:	Page
Connecticut.....	57
Georgia.....	58
New Mexico.....	58
Ohio.....	60
Tennessee.....	61
Virginia.....	61
National Congress of Parents and Teachers.....	61
Emergency declaration of the American School Food Service Association.....	62A

APPENDIX

Newspaper articles:	
July 7, 1973: School Lunch Cost Soars in Broward.....	63
July 12, 1973: Soaring Costs Hit School Lunches.....	64
July 17, 1973: Food for School Lunches To Cost More in Fayette... Ten-Cent Hike for School Lunches Okayed.....	65
July 18, 1973: Lunch Prices May Increase in County Schools.....	66
August 2, 1973: New Mexico School Lunch Program Heading for Crisis.....	67
August 9, 1973: School Board Okays Nickel Increase for Hot Lunches..	68
August 15, 1973: SCIO Hires Staff, Ups Lunch Price.....	69
August 16, 1973: Twenty-five Cent School Lunch Follows Free Lunch Into Oblivion.....	69
August 17, 1973: School Board Hires 14 Teachers, Hikes Cafeteria Lunch Cost 5 Cents.....	70
August 19, 1973: Inflation Hits School Lunches.....	72
August 22, 1973: Des Moines School Board Raises Food Prices..... Prices Strangle School Lunch Menu.....	73
August 23, 1973: Hampton Raises School Lunch Prices.....	74
August 25, 1973: North Carolina Schools Face Higher Food Costs...	75
August 29, 1973: Student Lunch To Cost More.....	76
August 30, 1973: School Lunch Price Hike for Students, Adults.....	78

INTRODUCTION

Recent increases in the cost of food and labor, while affecting individual families across the Nation, are also affecting food programs supported by the Federal Government.

In response to concerns regarding the impact of these increases on the School Lunch Program, particularly, the Chairman and Ranking Minority Member of this Select Committee instructed the staff to survey the situation.

The committee staff sent a questionnaire to State Food Service Directors requesting current information on this year's school food costs, as compared with previous costs, and the affect of these increases on the quality of and participation in the program.

There are indications that more recent cost increases will result in somewhat higher estimates than those contained in the responses received by the committee.

This working paper contains the individual responses by the State directors; a summary of them; letters from concerned citizens; as well as sample newspaper articles on this problem. Also there is a brief projection, based on studies collected by the Department of Agriculture, of the possible impact with increased lunch prices on student participation. This is included in our summary.

The text of the questionnaire is as follows:

WESTERN UNION NIGHT LETTER

July 24, 1973.

To all State School Food Service Directors:

As you know, Congress is again considering legislation vital both to the School Lunch and School Breakfast Programs.

Our committee needs information about your ability to run the programs while fighting increased food and labor costs.

Your response to the following questions will be appreciated:

1. What do you estimate will be the average cost in your State of producing a lunch this coming year? A breakfast? How will this compare to last year?
2. Will the students' price be increased per lunch? Per breakfast? How much, on the average, would the increase be?
3. Do you anticipate a decrease in the availability of commodities? Will this affect costs appreciably?

4. If reimbursement rates are not increased, what will the specific effects be in your State? If they are not, will participation decrease?

5. What suggestions would you make to maintain and improve these programs, in light of increased costs?

Thanks very much for your help and advice.

GEORGE MCGOVERN, *Chairman*
U.S. SENATE SELECT COMMITTEE ON
NUTRITION AND HUMAN NEEDS

RESPONSES* FROM
STATE SCHOOL FOOD SERVICE DIRECTORS

ALABAMA

DEPARTMENT OF EDUCATION, MONTGOMERY, ALA.,
July 26, 1973.

HON. GEORGE MCGOVERN,
U.S. Senate,
Select Committee on Nutrition and Human Needs,
Washington, D.C.

DEAR MR. MCGOVERN: The following information is being submitted in accordance with your Telefax request of July 24, 1973.

1. *What do you estimate will be the average cost in your state of producing a lunch this coming year? A breakfast? How will this compare to last year?*

Present information indicates that the cost of producing a lunch next year will be no less than 63.6¢, which is 10¢ more than last year. The cost of producing a breakfast will be approximately 35¢, which is 7¢ more than last year.

2. *Will the student's price be increased per lunch? Per breakfast? How much, on the average, would the increase be?*

The charge to students will be increased for lunches and breakfasts. The amount of the increase will depend, to a great extent, on the President's Price Stabilization Policies and Practices. School administrators have indicated to me that they plan to increase the charge to students for lunches and breakfasts a minimum of 5¢ each.

3. *Do you anticipate a decrease in the availability of commodities? Will this affect costs appreciably?*

Yes, I do anticipate a decrease in commodities. The decrease in the availability of commodities will have a disastrous effect on the cost of producing meals. Had it not been for commodities and the commodity short-fall funds last year, many school food service programs in Alabama would be bankrupt.

4. *If reimbursement rates are not increased, will the specific effects be in your state? If they are, will participation decrease?*

If reimbursement rates are not increased, it will be necessary for school food authorities to cut back on the quality of meals to the extent that:

a. There will be a significant reduction in the number of paying students participating;

*Responses from Colorado and Texas (see pp. 51E-G) were received too late to be included in the summary statistics.

b. There will even be a reduction in the number of students participating who are eligible to receive free or reduced price meals;

c. There is also the danger that school food service programs will reduce the quality and quantity of meals to the point where they will not meet the minimum nutritional requirements for reimbursement.

5. *What suggestions would you make to maintain and improve these programs, in light of increased costs?*

In Alabama, the need for additional supervision and funds are of primary importance if we are to maintain and improve school food service programs. Proper and adequate supervision is essential if we are to have quality programs. Adequate funds from local, state, and federal sources are essential if we are to improve and implement good nutrition programs and concepts that tend to foster good nutrition.

We do appreciate your efforts and support of school food service programs. It is gratifying to know that we have friends in Congress who realize the importance of good nutrition.

Sincerely yours,

T. G. SMITH, Jr.,

Coordinator, Food Service and Local Accounting.

ARIZONA

DEPARTMENT OF EDUCATION, PHOENIX, ARIZ.,
August 13, 1973.

HON. GEORGE MCGOVERN,
Chairman, Select Committee on Nutrition and Human Needs,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGOVERN: This is in answer to your most recent questionnaire regarding congressional legislation to continue the school lunch and breakfast programs under the present crisis.

1. We would estimate the average cost to the state of producing a lunch this coming year to be \$.63 and a breakfast to be \$.25. This would be approximately a \$.10 increase in cost for lunch and about a \$.07 or \$.08 increase for a breakfast.

2. From indications here on a random sampling basis, it seems a consensus that the students will be faced with a \$.05 to \$.10 increase on the price of lunch.

3. We can only assume under the present situation in a national food basket picture that there will be, in all probability, reductions in quantities and in some commodities a complete lack of certain food items that have normally been made available to us through the United States Department of Agriculture. In view of this element, it can only cause increased costing to the schools by forcing them to buy on the open market those commodities that were supplied by the government.

4. I think this would tie in with question #3 in that costs are con-

tinually spiraling and the schools will be hard pressed to stay within their budget limitations, and this in turn will pose the *very serious threat* of operating at a deficit.

I could not predict whether participation would decrease on a large scale, but I do have some input that smaller schools might be faced with the ultimate decision of shutting down their cafeteria and lunch-room operations.

5. I would most energetically urge the Congress to take immediate steps via legislation on a near disaster, emergency basis to increase reimbursements to the states so as to provide additional monies to keep our school lunch programs operating to provide the same quality nutritious foods for our children. In many cases this is the most important meal to our low income families. I would urge you and all legislators to take immediate action to alleviate the present situation. I am aware of many bills at present in the hopper, but action must be forthcoming now to come up with some definite assistance to us.

Arizona is most concerned for its children, and your voice in the past for child nutrition legislation has been loud in campaigning the cause for all school children in the feeding programs. We support you in your endeavors in our behalf.

Thank you for asking for our opinions and hope we have been helpful in this instance of prime concern to us all.

Sincerely,

FRED A. ROHRMAN,
Director, Food and Nutrition Division.

ARKANSAS

DEPARTMENT OF EDUCATION, LITTLE ROCK, ARK.,
July 30, 1973.

HON. GEORGE MCGOVERN,
Chairman, U.S. Senate Select Committee on Nutrition and Human Needs, U.S. Senate, Washington, D.C.

DEAR SENATOR MCGOVERN: In response to your recent telegram with reference to the effect of increased food and labor costs as these relate to the School Food Service Program in Arkansas please be advised as to the following:

1. The cost of providing a school lunch and breakfast meal during the past year, continued to increase so that by the end of the school term, the average lunch cost reported was 49.4¢ and the average breakfast cost was approaching 22¢. Preliminary information now being supplied by school administrators and food service personnel indicate that the cost in providing these meals will increase by 20% at least. This means that the lunch meal will cost in the neighborhood of 55¢ and the breakfast 27¢.

2. Many schools were forced to increase prices by 5¢ to 10¢ to students for paid meals during the past school year. The majority of schools report now that there is no alternative except to increase the price again this year. Increased charges to students will reflect a price of 45¢ to 50¢ for lunch and 20¢ for breakfast. This ac-

tion could result in a decrease in participation by as much as 6% to 10% of paid students.

3. The projection of meal cost shown in No. 1 above, assumes that food commodity supply is to remain about the same as last year. There is much uncertainty that this will be the situation. USDA donated foods have been contributing about 10¢ to the school meal in this state. In the event the supply next year is only half of that received this past year, it simply means that the meal will cost the school an additional 5¢ above that projected in No. 1 above.

4. If reimbursement rates are not increased to local school operations, school administrators will be confronted with the decision to supplement the school food program from general operating funds (which they do not have), or sacrifice the quality of meal, or curtail their program even to the extent of abandoning it when funds are exhausted.

5. Immediate relief can be provided the schools by increasing reimbursement rates to at least 10¢ per meal from sec. 4 funds and 50¢ per meal from sec. 11 (free meal) funds. It is difficult to offer suggestions in view of reported food shortages. In the past, most schools will have already negotiated bids for food supplies by this time. In light of all of the publicity being given to food shortages and inevitable price increases, the food vendors may be placing themselves in a position of advantage in their negotiations with schools. At any rate, schools are experiencing much difficulty in contracting for food supplies especially at firm prices. School food inventories are at the lowest level possible.

Please be assured that your continued concern and effort in behalf of the school children of this State, is sincerely appreciated.

Sincerely,

J. A. NIVEN,
Coordinator, School Food Services.

CALIFORNIA

DEPARTMENT OF EDUCATION,
Sacramento, Calif., July 27, 1973.

HON. GEORGE MCGOVERN,
Chairman, Select Committee on Nutrition and Human Needs, U.S. Senate, Washington, D.C.

DEAR SENATOR MCGOVERN: We are sorry there has been a delay in answering your letter dated June 22, 1973 with reference to completing the questionnaire which I am enclosing.

In response to your telegram which was recieved July 25, 1973 I am submitting answers to five questions you have raised regarding needed legislation for school lunch and breakfast programs. These are as follows:

1. In my opinion the average cost of a Type A Lunch this year will average not less than 65¢ and possibly go as high as 70¢. We are enclosing the results of a recent survey with reference to the average cost to deliver a lunch to a child. It is obvious that food

costs will markedly increase during the next few weeks and months. Breakfast costs will increase at the same proportion as lunch costs, which will be due largely to cost of raw food accompanied by food service salary increases.

2. Many districts undoubtedly will have to increase the lunch and breakfast cost to paying students in order that the gap between income and expenditures will not be widened appreciably. We are anticipating that many schools will be required to raise the charge for lunch between 5¢ and 10¢. This same increase may be necessary for breakfast programs. Increasing student meal charges always results in reduced participation.

3. We definitely do not anticipate the same level of commodities, and an anticipated decrease will effect costs in a very large way. If the escalator clause is deleted from the Farm Bill (H.R. 8860) and food prices continue to rise, there could very well be a decrease in the availability of some commodities. If the provision to permit FNS to purchase essential foods on the open market remains in the bill, we may see a smaller variety of foods with possibly a greater quantity of some items that were determined to be needed for good nutrition.

If FNS is again unable to meet their goal of providing 7¢ per meal support with commodities, it is probable that they would make up the difference in cash reimbursement as they did last year. With the decreased purchasing power of this added reimbursement, the cost of producing an adequate school lunch would certainly increase appreciably.

4. If reimbursement rates are not significantly increased, the effect upon the National School Lunch and Breakfast Programs in California is that an undetermined number of school food service programs will not be able to continue operation this coming year.

5. Continued maintenance and improvement of the food and nutrition programs can only come about through adequate financing of all food and nutrition programs, whether it be federal, state or local level. Certainly there is a need to re-evaluate the supervisory state services or lack of services. California has only received for each of the last three years federally funded State Administrative Expenses in the amount of \$151,723 (1971/72-1973/74) for a program which has significantly grown in California. Reimbursements will total nearly \$100,000,000 for public and private schools and institutions for the Fiscal Year 1974. I definitely urge that consideration be given to providing adequate administrative funds for state Departments of Education in order to just meet the accelerated growth of food services during the last three years. Based on a conservative estimate of a State Administrative Expense formula which was worked out by a State Director's Committee, California was understaffed by more than 50 percent.

Thank you very much for your interest, and if I can be of further assistance please let me know.

Sincerely,

JOHN R. WISER,

Director, Office of Food and Nutrition Services.

[Enclosures]

MEMORANDUM, July 18, 1973.

From: John R. Weber

Subject: Cost of Type A Lunches Based on March, 1973 SL-5 Reports

The cost of delivering a Type A lunch was submitted by 755 school districts encompassing a total of 5421 individual schools out of 5596 participating schools for the month of March, 1973.

The cost of the Type A lunch is defined as the food cost per lunch, plus the labor cost per lunch, plus other costs per lunch, i.e., fixed charges, maintenance, operation, etc. (SL 4-72, Item II-C).

Per lunch cost ranged from under \$.48 (five schools) to over \$1.30 (47 schools). Our analysis of the data indicates the following:

25 percent of the schools per lunch cost \$.55 or less;

The median cost per lunch was \$.61;

The mode was \$.61 (Los Angeles Unified);

25 percent of the schools per lunch cost was \$.65 or greater.

It is believed that a substantial number of districts have reported the true per lunch cost.

We would predict the median cost will be \$.65 in September, 1973.

Enclosed is a recap of information derived from a comparable May 1, 1972 report.

[Enclosure.]

MEMORANDUM, May 3, 1972.

From: John R. Weber

Subject: Cost of Type A Lunches Based on March, 1972 SL-5 Reports

The cost of delivering a Type A lunch was submitted by 727 school districts encompassing a total of 5,281 individual schools out of 5,496 participating schools for the month of March, 1972.

The cost of the Type A lunch is defined as the food cost per lunch, plus the labor cost per lunch, plus other costs per lunch, i.e., fixed charges, maintenance, operation, etc. (SL 4-72, Item II-C).

Per lunch cost ranged from under \$.35 (eleven schools) to over \$1.30 (8 schools). Our analysis of the data indicates the following:

25 percent of the schools per lunch cost \$.52 or less

The median cost per lunch was \$.58

The mode was \$.58 (Los Angeles Unified)

25 percent of the schools per lunch cost was \$.69 or greater.

It is believed that a substantial number of districts have reported the true per lunch cost.

DELAWARE

DEPARTMENT OF PUBLIC INSTRUCTION, DOVER, DEL.

August 31, 1973.

Senator GEORGE MCGOVERN,

Chairman, Select Committee on Nutrition and Human Needs, U.S. Senate, Washington, D.C.

DEAR SENATOR MCGOVERN: This is in reply to your July 24 telegram about the problems of operating the Child Nutrition Programs in view of increasing food and labor costs associated with these program operations. The following is a restatement of your questions and my replies to each.

Question 1. What do you estimate will be the average cost in your State of producing a lunch this coming year? A breakfast? How will this compare to last year?

Based on whether a 6% or a 10% inflationary factor is applied to last year's cost of producing a Type A Lunch, I project a cost of between 70.7¢ and 73.4¢ as an average cost for producing a Type A Lunch in Delaware during the 1973-74 school year. Applying the same inflation factors to the breakfast, I project a cost of 25¢ to 26¢. This compares with 1972-73 school year costs of 66.7¢ and 23.6¢ respectively.

Question 2. Will the student's price be increased per lunch? Per breakfast? How much, on the average, would the increase be?

Unless remedial legislation such as H.R. 9639 or S. 1063 becomes law, I project a general State-wide increase in student lunch and breakfast prices. As you know, the Administration has defended the continuation of present reimbursement rates as a matter of national priorities. They have suggested that any additional revenues needed for program support be obtained either from States in some cases where there have been revenue surpluses or that, since family income levels are higher than ever, the revenues be obtained by increasing the prices to the child. Since Delaware is not one of the States with a revenue surplus, I can only conclude that additional revenues needed for program support will come from increased prices to the students.

Last year the state-wide average price of a lunch was about 35¢. If, for the coming year, we add to that figure 15¢ per lunch in Federal assistance (assuming some sort of remedial action regarding commodities) and 10¢ in State assistance (in the form of State paid salaries of food service supervisors and managers), we arrive at a per lunch income of 60¢, which according to my 1973-74 cost projections is 10-13¢ less than the total cost of producing a lunch. Assuming that local sources may help out with about 10% of the total cost in the form of in-kind assistance (custodial services, payment of utilities, delivery costs, etc.), this would add another 7 or 8¢ to the average school's per lunch income. This aggregate of about 67 or 68¢ still leaves the school from 2 to 5¢ per lunch short of actual production costs. Therefore, I would predict average lunch price increases of about 5¢.

The breakfast program presents a slightly different problem as to rising food and labor costs. Since about 85% of the breakfasts are served free, any increase in price to the paying children, however substantial, would not be sufficient to offset the 5 or 6¢ greater cost than the maximum reimbursement presently allowed for free breakfast (20¢). Thus, unless this office could authorize these participating schools as "especially needy" on the allowable criteria of "unusual costs required to provide a breakfast in the school in spite of the observance of good management practices", some of the schools may choose to drop out of the program.

Question 3. Do you anticipate a decrease in the availability of commodities? Will this effect costs appreciably?

All information received by this office indicates an increasingly bleak situation as to the availability of commodities for the coming school year. Certainly, the outlook is very unfavorable

with regard to the more valuable commodities such as red meats and dairy products. And, even though canned fruits and vegetables may be available in sufficient quantities, higher prices for them will mean lesser quantities purchased. Recently, there have even been speculations of relative shortages of commodities heretofore in abundant supply such as flour and other various grain products. It would seem logical that there would be a direct relationship between any decline in per meal value of donated commodities and the added cost of meal production that would have to be borne by individual programs. In fact, meal costs might increase slightly more than the decreasing value of the commodities since it would cost the average school or school district more to purchase foods of the type previously donated because of the lower purchase prices by USDA due to the volume of their purchases. That is, schools would generally pay more for the same type of foods than would USDA purchasing on a national basis.

Question 4. If the reimbursement rates are not increased, what will the specific effects be in your state? If they are, will participation (increase)?

Unless meal prices to the students are increased by the amounts projected in the answer to Question 2, it is likely that, by the end of the school year, many of the school district food service programs will be operating at a deficit. At the least, many of the school districts' contingency reserves will be vastly reduced or non-existent.

The second part of your question has been misstated in the telegram, and it is difficult to interpret. If you mean "Will increased reimbursement rates increase participation?", the answer is not appreciably, since we have broad participation by the schools in the programs and rather high participation within these schools. However, increased reimbursement rates would permit program solvency. If your question means, "If reimbursement rates are *not* increased, will participation decrease?", I would predict some decline in participation, but not to the degree experienced in the past when prices were raised since at home "brownbag" lunch production costs will also vastly increase.

Question 5. What suggestions would you make to maintain and improve these programs in light of increased costs?

As is often the case, additional funding will alleviate many problems. Certainly, the increased reimbursement rates proposed in H.R. 9639 and S. 1063 would maintain program solvency and improve the programs insofar as their relationship with the total school district administration. If the school food service programs can avoid becoming a fiscal "millstone", they can continue their efforts to be accepted as a vital and integral part of the total scholastic offering to the children. In addition, provision for administrative expenses for the State distributing agencies to help reduce the cost of commodity delivery and services, would further assist the schools.

Further, since successful food service operations depend, to the maximum extent possible, upon uniformity of menu offerings (with reasonable variety) and a high volume of participation to keep costs at a minimum, reinstitution of Federal regulations con-

cerning the time and place of the sale of competitive food items would be of inestimable value to the stability of the school's Type A lunch and breakfast programs. The more variables that are introduced in the form of competing snack bars, food concessions, etc., the more difficult it becomes to project and maintain the large volume and steady participation needed for optimum operating efficiency of the school food service programs.

For this reason, I believe legislation that would rescind Section 7 of P.L. 92-433 would be most beneficial to achievement of one of the prime goals of school food service programs—to fulfill its role as an educational laboratory which provides a nutritional environment in which the child can learn to make wise food choices.

In meeting this objective, we fulfill the obligation we have to parents to safeguard their children's health and well-being as mandated by the National School Lunch Act.

We have a further duty to parents to see that the money they invest in school lunch programs, both as a portion of their taxes and as payment for their children's lunches, is spent in the most beneficent and efficient manner possible.

Thank you for asking for my views and for the consideration you have given them.

Sincerely,

ROBERT L. JOHN,
State Supervisor, School Food Services.

DISTRICT OF COLUMBIA

BUSINESS ADMINISTRATION, WASHINGTON, D.C.,
July 27, 1973.

Senator GEORGE MCGOVERN,
Chairman, U.S. Senate Select Committee on Nutrition and Human Needs, U.S. Senate, Washington, D.C.

DEAR SENATOR MCGOVERN: In reply to your telegram of July 24, 1973, the following information is provided:

1. The average projected cost per meal in 1974:
 - a. Breakfast: .23¢
 - b. Lunch: .76¢
 - c. As compared to fiscal year 1973, this is an approximate increase of .04¢ and .10¢ per unit respectively.
2. Student lunch cost will increase in September by .10¢. This does not offset the increase of the Free Lunch.
3. We have been notified by USDA that certain commodities may possibly be unavailable.
 - a. Our cost will be affected in direct reverse proportion to decreased commodities unless commodity shortfall funds are made available.
4. If reimbursement rates do not increase, we will be confronted with three choices:

- a. Request emergency increase of State funds (not optimistic).
- b. Increase the selling price to students.
- c. Reduce quality of foods by using food alternates or substitutions.

5. In view of the constant increasing cost of foods, I suggest the following:

- a. Local operators should concentrate on increasing productivity and decrease waste.
- b. Congress should enact into law H.R. 4974, particularly as it relates to funding, including the clause to increase reimbursement rates as operating costs increase.

Respectfully,

JOSEPH M. STEWART,
Director of Food Services.

FLORIDA

DEPARTMENT OF EDUCATION, TALLAHASSEE, FLA.,

July 25, 1973.

HON. GEORGE MCGOVERN,
Chairman, U.S. Senate Select Committee on Nutrition and Human Needs, Washington, D.C.

DEAR SENATOR MCGOVERN: Attached are Xerox copies of some recent newspaper articles¹ regarding school lunch sale price increases and food price increases to schools in Florida.

In reply to your telegram:

- 1. Lunches will cost an estimated 82¢ (they cost 69¢ last year). Breakfasts will cost an estimated 31¢ (they cost 26¢ last year).
- 2. Student prices will increase on the average 7¢ (most Florida school districts have already announced an increase of at least 5¢). Jacksonville increased their sale prices 10¢ and eliminated desserts in high schools.

Some districts have announced a withdrawal from serving breakfast. In Titusville and Cape Canaveral, high school lunch prices will be 65¢ next year.

3. In that there are absolutely no farm commodities that are either surplus or in need of "price support", I anticipate an extreme cut-back in commodity availability. If the USDA does not purchase up to 7¢ per lunch of commodities, the cost increase of 13¢ estimated in 1. above, will be even greater.

4. Past performance has shown that when sales prices increase 5¢, that participation decreases by 10% and fixed costs remain the same. Therefore, we anticipate a reduction in participation of 12%-15%.

¹ See Appendix.

As you know, these students (the 12%-15%) are the borderline students—economically. That is, they are not economically needy, but certainly not affluent enough to afford 65¢ lunches every day.

5. Suggestions:

a. A guaranteed 7¢ per lunch and 3¢ per breakfast in commodities or cash in "lien of" commodities.

b. An increase of 6¢ per lunch in Section 4 average rates to 14¢ per lunch, to offset costs that cannot be met by a 5¢ sale price increase.

c. The especially needy maximum rate supporting free lunches should be increased from 60¢ to 75¢, or the production cost.

d. Increase Especially Needy Breakfast rates to:

Paid—5¢ (as is);

Reduced Price—25¢ or production cost;

Free—35¢ or production cost.

Only B. would effect any sizeable increase to the Federal Budget. However, without an increase in B. all child feeding programs will suffer, since the entire financial picture is based on high and even lunch participation.

Sincerely,

GEORGE HOCKENBERRY,

Administrator, Food and Nutrition Services.

GEORGIA

DEPARTMENT OF EDUCATION, ATLANTA, GA.,

August 14, 1973.

HON. GEORGE MCGOVERN,

U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR MCGOVERN: In response to your telegram of July 20 regarding impact of food crisis on Georgia schools, the following information is presented:

1. Average cost of school lunch 1972-73—49.4¢

Projected cost of school lunch 1973-74—56.9¢

7.5¢/lunch (average)

2. School administrators recognized a need for 5 to 10¢ more revenue per lunch. Such an increase in sale price is expected to reduce participation of paying children by 10 to 20%.

2. Food shortage and high costs will necessitate the inclusion of more meat alternates in all school meals. Unless reimbursement is increased for free meals, schools will reduce quantity as well as quality.

4. Phase IV Guideline is totally unrealistic; schools cannot administer a program in accordance with proposals. However, many school systems in high labor cost areas are proposing 10¢ increases in sale price.

I am enclosing a copy of a letter from a school superintendent regarding school breakfast—the letter is self-explanatory. I'm also enclosing a resolution which the Georgia State Board of Education passed regarding the food crisis.

We appreciate your leadership in Child Nutrition Programs.

Sincerely yours,

JOSEPHINE MARTIN,
Administrator, School Food Services.

[Enclosures]

VALDOSTA PUBLIC SCHOOLS, VALDOSTA, GA.,
August 6, 1973.

MISS JOSEPHINE MARTIN,
Administrator, School Food Service Program, State Department of Education, Atlanta, Ga.

DEAR MISS MARTIN: In 1972-73 Valdosta City Schools served breakfasts in the following schools:

Leila Ellis Elementary
West Gordon Elementary
Lomax Elementary
Sallas Mahone Elementary
Southeast Elementary
Valdosta Junior High
VHS-Pinevale Campus

Costs of operation and income for these programs are shown here:

Expenses:	
Food	\$33,003.78
Labor	5,824.99
Total	38,828.77
Income:	
Students	278.00
Reimbursement	32,583.61
Total	32,861.61
Total Expenses	38,828.77
Total Income	32,861.61
Loss for year	5,967.16

The advantages of the breakfast program have been discussed at length with administrators and teachers in our system. All feel that the program should be continued because it does reduce absences and tardiness, and students participating appear to be more alert in the classroom.

However, due to the existing economic conditions in our lunch program we feel that we cannot continue to operate the program at a deficit. What do you advise?

Sincerely,

JAMES F. GOOLSBY, *Superintendent.*

—RESOLUTION—

WHEREAS, the Georgia State Board of Education is concerned about the impact of food crisis on school nutrition programs, and
 WHEREAS, the State Board recognizes the value of nutritionally adequate school meals to the child's health and education, and
 WHEREAS, the present level of assistance and payments is inadequate to meet current costs, and

WHEREAS, the Georgia General Assembly increased State assistance by 2¢ per meal for 1974 which will cover increased labor costs, and

WHEREAS, an increase in sale price to paying children results in a 10 to 20% reduction in the school lunch program and an increase in sale price affects middle income families whose buying power has decreased, and

WHEREAS, the school lunch and school breakfast are nutritionally balanced meals which provide $\frac{1}{3}$ of the child's daily food needs, and is indeed one of the *best* food bargains, and

WHEREAS, H.R. 9639 introduced by Mr. Carl Perkins will provide financial relief;

BE IT THEREFORE RESOLVED, that the State Board of Education calls upon the involved groups to maintain stability of school food service during this emergency by giving support in financing, managing and interpreting the program:

1. Specifically, we request Senator Herman E. Talmadge and Senator Sam Nunn and the entire Georgia Delegation to give their full and immediate support to enactment of H.R. 9639 with 12¢ per meal for general assistance and full support of other aspects of H.R. 9639, and to see that the special milk program is restored.

2. We call upon local school boards to assume administrative costs as included in the State Board resolution of January, 1968.

3. We call upon superintendents and principals to fully implement the free and reduced policy statement taking full advantage of reduced price meals for children from homes in that "income category" and urge systems to establish realistic sale prices for adult meals; to correlate nutrition and health teaching with eating.

4. We call upon USDA to secure from the Office of Price Stabilization blanket permission for systems to average out cost increase.

5. We call upon School Food Service Directors, Managers and School Administrators to exercise careful planning, prudent management and student involvement in planning meals, purchasing, staffing and preparation.

6. We call upon the PTA to interpret the school food service program to parents including the values received nutritionally, educationally and financially, and

7. We call upon the students to support school food service and recognize the value of school meals to their health and education.

BE IT FURTHER RESOLVED, that copies of this resolution be sent to Senator Herman E. Talmadge, Senator Sam Nunn, Governor Jimmy Carter, the Georgia Congressional Delegation: (First District) Honorable Bo Ginn; (Second District) Honorable Dawson Mathis; (Third District) Honorable Jack Brinkley; (Fourth District) Honorable Ben B. Blackburn, III; (Fifth District) Honorable Andrew Young; (Sixth District) Honorable John J. Flynt, Jr.; (Seventh District) Honorable John W. Davis; (Eighth District) Honorable W. S. Stuckey, Jr.; (Ninth District) Honorable Phil M. Landrum; (Tenth District) Honorable Robert G. Stephens, Jr.; Deputy Secretary of Agriculture Honorable Phil Campbell, PTA President Mrs. Frank Britt, President of Superintendents Association Mr. Mitchell Conner, President of Georgia Association of Secondary School Principals Mr. Wesley Hardy, President of Georgia Association of Elementary School Principals Mr. Lloyd Thrasher, President of Georgia School Boards Association Mrs. Leroy Woodward and Executive Secretary of Georgia School Boards Association Mr. Jack Acree.

ROY A. HENDRICKS, *Chairman.*

JACK P. NIX, *Executive Secretary.*

August 9, 1973.

HAWAII

DEPARTMENT OF EDUCATION, HONOLULU, HAWAII,

July 27, 1973.

Senator GEORGE MCGOVERN,

Chairman, Select Committee on Nutrition and Human Needs, U.S. Senate, Washington, D.C.

DEAR SENATOR MCGOVERN: In response to your wire of July 25, 1973, we offer the following:

1. Average cost of producing lunch in FY 74 will be at least 74¢ up from 64¢ in FY 73.
2. As the full effect of food cost increases are felt in the first few months of school, it may be necessary to review Hawaii's traditional 25¢ charge to students.
3. Certainly, we anticipate federal commodities to be below last year's extremely low level. If shortfall commodity funds are not made directly available to the school districts, an extremely serious financial crisis will be made proportionately greater.
4. A 50% increase in reimbursement rates would only partially combat the 25% 12-month increase in food costs.
5. (a.) Increase level of appropriation to offset cost-of-living escalation; and,

(b.) Assure all funds (including commodity funds) appropriated for Child Nutrition Programs be expended for CNP.

Cordially,

STANLEY W. DOUCETTE,
Director, School Lunch Services.

IDAHO

DEPARTMENT OF EDUCATION, BOISE, IDAHO,
July 30, 1973

Hon. GEORGE MCGOVERN,
U.S. Senate,
Select Committee on Nutrition and Human Needs,
Washington, D.C.

DEAR SENATOR MCGOVERN: This is in reply to your telegram of July 24, 1973.

1. *What do you estimate will be the average cost in your State of producing a lunch this coming year? Breakfast? How will this compare to last year?*

Estimated average cost for a lunch is 55 cents. Average cost for breakfast is 35 cents. This is an increase of 5 cents for lunch and 5 cents for breakfast over the 1972-73 school year.

2. *Will the students' price be increased per lunch? Per breakfast? How much, on the average, would the increase be?*

School districts are holding up as long as possible increasing the prices to children in both programs. They are waiting to find out how much the Federal reimbursement will be. I estimate that prices will increase at least 5 cents per meal.

3. *Do you anticipate a decrease in the availability of commodities will affect costs appreciably?*

A decrease in the availability of commodities will affect costs by the amount they are decreased. Schools have depended upon commodities and the vast majority of them utilize them to the greatest extent.

4. *If reimbursement rates are not increased, what will the specific effects be in your State? If they are, will participation decrease?*

If reimbursement rates are not increased, schools will increase their prices accordingly. Participation will drop because increase in prices drops many children from the program. Many will not ask for a free lunch but will bring a lunch from home.

5. *What suggestions would you make to maintain and improve these programs, in light of increased costs?*

An increase in reimbursement and assurance that cash in lieu of commodities will be available is needed. This information is needed no later than July 1 of each year and preferably January 1 to give local boards of education lead time in planning.

Thanks very much for your inquiry. If I can be of further assistance, let me know.

Very truly yours,

CECIL F. OLSEN,
Director, Food Services Branch.

ILLINOIS

SUPERINTENDENT OF PUBLIC INSTRUCTION, SPRINGFIELD, ILL.,

July 26, 1973.

HON. GEORGE MCGOVERN,
Chairman, Select Committee on Nutrition and Human Needs,
U.S. Senate, Washington, D.C.

DEAR SENATOR MCGOVERN: Replying to your questions in your telegram of July 24:

1. The average cost of producing a Type A lunch is currently 42 cents for food plus labor costs running 25 to 30 cents per lunch. We estimate next year's cost to increase at least 15%. Breakfast, current food cost is 23 cents with labor costs 15-25 cents per meal, the variable due to type of menu. We estimate approximately a 15% cost increase next year.

2. To date, we have received requests for price increases averaging 12% for lunch and approximately the same level for breakfast.

3. Most school districts compute their budget for food service based on commodities providing from 7-10 cents per meal. If the commodity program continues to decline, we anticipate the difference will be made up by further increasing the meal cost to students.

4. With the shortage of dollars for education, we see no alternative for the lunch program other than increasing prices. This will have to be done with the full knowledge that the effect will be a decrease in participation in direct proportion to the price increases. Our experience has shown that each penny increase in the cost of meals results in approximately a 1% decrease in participation.

5. We recommend the Type A reimbursement be pegged at a minimum of 12 cents per lunch; free lunch be reimbursed 48 cents; breakfast reimbursement be 35 cents for the free breakfast and 10 cents for fully paid breakfast, and that the commodity program be established at a value of not less than 10 cents per meal with a cash in lieu of commodities provision with an effective date of February 1 annually. I have not touched upon reduced breakfast and lunch programs because in Illinois there is less than 1% participation in reduced price meals.

Sincerely,

ROBERT E. OHLZEN,
Director, School Food Services.

INDIANA

DIVISION OF SCHOOL LUNCH, INDIANAPOLIS, IND.,
July 26, 1973.

Senator GEORGE MCGOVERN,
Chairman, U.S. Senate, Select Committee on Nutrition and Human
Needs, Washington, D.C.

DEAR SENATOR MCGOVERN: In response to your telegram received
July 25, 1973, we offer the following information:

1. The average cost of producing a lunch in Indiana will be approximately 68 cents and 33 cents per breakfast.
 2. The student prices will be increased an average of 7 cents per lunch and 5 cents per breakfast.
 3. We anticipate a decrease in the volume and selection of commodities, which in turn will definitely affect the cost of program operations.
 4. Reimbursement rates should be increased in order that we may continue to feed children. If they are not, the needy schools will suffer more than the less needy and may even be forced to reduce or close their operation for lack of funds.
 5. It is our recommendation that the reimbursement rates be increased to 12 cents per meal and a larger allocation of commodities or cash in lieu of commodities be made available to schools.
- Should you desire further information regarding program operations in Indiana, please feel free to contact this office.

Sincerely,

JOHN J. HARTER,
Director, Division of School Lunch.

IOWA*

STATE DEPARTMENT OF PUBLIC INSTRUCTION, DES MOINES, IOWA,
August 22, 1973.

SPECIAL NEWS RELEASE

School lunch cash balances today are much more on the deficit side of the ledger than a year ago, according to Vern Carpenter, chief, School Food Services, in the Iowa Department of Public Instruction.

*See also pp. 51A-51D.

"During the 1972-73 school year," he said, "food costs rose 23 percent statewide, labor costs 16 percent, and miscellaneous costs 16 percent.

Dollarwise, he explained, it costs 18 percent more to prepare and serve a lunch than a year ago for a total of 62 cents.

At the present time, he continued, with a minimum of 8 to 10 percent increase (which could be higher), the cost of preparing and serving a lunch could easily rise from 62 cents to 67 cents or more.

Carpenter said his DPI section is stressing good management practices. These include:

1. Schools should compute quantities of food to be served daily and have a minimum of leftovers.
2. Serve more often the foods that children like.
3. Less returned food and waste.
4. More emphasis on portion control.
5. Serve fewer extras and frills.
6. Do more school baking.
7. Improve the labor ration.
8. Serve some three-item menus.
9. Introduce fewer new foods which children may reject.
10. Cut down on the use of paper products.
11. Estimate menu-costing in advance.
12. Use standardized recipes to ensure quality products and consistent yield.

Carpenter believes there will be higher participation this year, even with statewide enrollment lower. Considering current food prices, he believes the school lunch is the best buy in the land.

"We have asked congress to increase reimbursement on all lunches," he said, "we must have the paying child participate in order to maintain volume.

"Congress has been asked to increase reimbursement on free and reduced price meals because schools must serve free and reduced-price meals to needy children by federal mandate.

"We are also asking the congress to provide cash in lieu of commodities—because there are few commodities that are in surplus and very few that need to be price supported."

KENTUCKY

DEPARTMENT OF EDUCATION, FRANKFORT, KY.,

July 27, 1973.

HON. GEORGE MCGOVERN,

Chairman, U.S. Senate Select Committee on Nutrition and Human Needs, Washington, D.C.

DEAR MR. MCGOVERN: Since receiving your telegram on Wednesday, July 25, the various questions proposed have been given much consideration by Kentucky Department of Education staff members. These and other questions have been with us since the end of the 1972-73 school year and the opportunity to provide you with answers gives us an opportunity to clarify and unify our thinking on these points.

The following numbered statements are our best answers or explanations to your questions and in the same sequence as they appear in your telegram:

1. It is the estimate of the staff of the Division of School Food Service that the average costs of producing a lunch and breakfast in Kentucky during the 1973-74 school year will be 50¢ per lunch and 25¢ per breakfast respectively. This represents an average cost of 3¢ per meal greater than the cost of these meals for the 1972-73 school year.

2. The Kentucky Department of Education recommended that the cost of lunch be increased by 5¢ during the 1972-73 school year and once again we are recommending that the cost of lunch be increased by 5¢ for the 1973-74 school year. We are recommending a similar increase in the price pupils pay for breakfast as we suspect that the Lunch Program has in the past been forced to absorb part of the cost of operating a School Breakfast Program. Most schools in Kentucky will follow our recommendations.

3. The staff of this division feels that a continued shortage of commodities will increase the cost of a school lunch and/or breakfast. The shortfall money (although appreciated) will not offset the commodities—since the USDA can buy better quality food cheaper than school people at the local level.

4. There is prevalent among school food service officials in Kentucky a cliché of a sort which goes something like this: "Someone must pay the fiddler". The same is true as far as food is concerned, and the food bills as well as the labor bills must be paid. When there are three sources of funds, namely from the Congress, from a State appropriation, and from the paying child, in the face of increased prices the paying child must be tapped for an additional source of funds if the other two are leveled off. It is our feeling that unless sufficient funds are available to pay the bills the attitude of the school officials will be such that services will be curtailed and the performance affected so that a reduced participation rate will result. It also could be that the quality of the meal will be reduced to the point that the meal service will be rejected with a corresponding result in decreased participation. Still another factor would be that the greater reliance could be put upon the donated foods as they become available, and to the point where the repeated use of an item such as dry beans can create an attitude of rejection.

5. It is the recommendation of the Kentucky Department of Education that:

a. the general cash for assistance rate be increased to 10¢ from the present 8¢ rate;

b. the maximum rate for free lunches in "especially needy schools" be increased to 65¢ from the present 60¢ rate;

c. the Special Milk Program be funded in full and continued as during previous years; and,

d. since it is our recommendation that the cost of breakfast to the paying child be increased by 5¢, the reimbursement rates for breakfast can be continued during the 1973-74 school year.

Information provided in this letter represents a consensus of opinion of several persons in the Kentucky Department of Education, and we feel that if these recommendations could be implemented they would not only improve the school food service program in Kentucky but in most other states also.

Thank you for the opportunity of playing a minor role in the development of the school food service program and especially the funding aspects of these several programs. If we can be of further assistance to you in this inquiry, please do not hesitate to call on us. On behalf of all of the boys and girls attending Kentucky schools and for that matter the nation's schools, thank you for your contribution to the school food service activities.

Sincerely yours,

C. E. BEVINS,
Division of School Food Service.

LOUISIANA

DEPARTMENT OF EDUCATION, BATON ROUGE, LA.,
July 25, 1973.

GEORGE MCGOVERN,
Chairman, U.S. Senate Select Committee on Nutrition and Human Needs, Washington, D.C.

The following is in response to your telegram received by the State Department of Education on July 24, 1973 concerning legislation regarding the School Lunch and School Breakfast Programs:

1. The estimated average cost of producing a lunch in this state during the 1973-74 school year will be approximately 75 to 80 cents. The estimated average cost of producing a breakfast will be approximately 35 to 40 cents.

2. It will be necessary for School Food Service Sponsors to increase the price per lunch and breakfast during the 1973-74 school year. On the average the increase would be approximately 15 to 20 per cent for both breakfast and lunch.

3. A decrease in the availability of commodities is anticipated. This decrease in the availability of commodities will affect the cost of preparing breakfast and lunch appreciably. If reimbursement rates are not increased, the cost of a lunch and breakfast to the paying student will be increased in direct proportion to the cost of the meal. If the reimbursement rate for free lunches is not increased the program will be in jeopardy.

4. It is suggested that reimbursement rates be increased in proportion to spiral food prices.

Sincerely,

RONALD W. CARRIERE,
State Director, Local School System Services.

MAINE

DEPARTMENT OF EDUCATIONAL AND CULTURAL SERVICES,
AUGUSTA, MAINE,
July 26, 1973.

HON. GEORGE MCGOVERN,
*Chairman, U.S. Senate Select Committee on Nutrition and Human
Needs, U.S. Senate, Washington, D.C.*

DEAR SENATOR MCGOVERN: Thank you for your telegram of July 24, 1973 requesting information on the financial needs of the School Lunch and School Breakfast Programs. We are grateful for the help you have given to us in the past and for your continued interest.

We answer your questions as follows:

1. (a) Cost of school lunch per meal, 1972-73, 61¢ average. Predicted cost of school lunch per meal, 1973-74, 67¢ average.

The 1973-74 per meal cost reflects an anticipated 15% rise in food costs and a 7% rise in labor costs. The figures for 1972-73 school year were the State average of actual operation cost from July 1, 1972 through December 31, 1972.

(b) Cost of school breakfast per meal, 1972-73, 24¢. Predicted cost of school breakfast per meal, 1973-74, 27¢.

The 1973-74 per meal cost reflects an anticipated 15% rise in food costs and a 7% rise in labor costs.

2. On March 1, 1973 the charge to children went up 5¢ per meal in most schools in the State of Maine, from 35¢ to 40¢ at the elementary school level and from 40¢ to 45¢ at the secondary school level.

It appears that another increase will be necessary in the early part of the 1973-74 school year unless adequate funds are available. We could expect this increase to be another 5¢ to 10¢ per meal at both the elementary and secondary levels.

3. (a) Yes. In forecasting costs above we are assuming that Congress will provide funds up to the 7¢ level in the event that the USDA does not provide commodities.

(b) Yes, if commodities or funds to the 7¢ level are not available early in the school year. Many programs will be in very great difficulty. The above 61¢ per meals for 1972-73 school year reflects the use of commodities, especially dry commodities such as flour, dry milk, shortening, at a very high level. Other commodities such as canned goods and meats were fully utilized as they were available. Both of these factors helped make the 61¢ meal cost possible; without the commodities the cost could have been much higher.

4. (a) It appears that another increase in charge for paid meals will be necessary and additional local funds for free and reduced priced meals will be needed if reimbursement rates are not increased.

(b) We are approaching the point in the program where local community effort is being taxed to saturation point. Most communities in the State of Maine have been very willing to support the program with tax appropriated funds but with spiraling costs the budgets for all school operations are being taxed to the limit.

(c) If prices to paying students have to increase again after the increase which was necessary March 1, 1973 we can expect a dramatic reduction in participation of paid meals. We are approaching the point where if paid meal participation continues to decrease, the program will become a "welfare program." This, in turn, will discourage the low income youth from participation as his participation will identify his economic status, particularly at the Junior High and High School levels.

5. (a) A minimum of 12¢ and 45¢ with an escalator clause to cover sharp increases in prices is needed. As we are now faced with emergency conditions with spiraling food and labor costs, we must have increased reimbursement rates prior to the opening of school so that administrators will have the confidence to start the programs at the beginning of the school year.

(b) We believe that the so-called "Universal Bill" which would make meals available to all school children on the same basis as all other school programs is needed.

(c) Nutrition Education is vital so school children can learn the importance of diet to health and learning.

Spiraling cost and food shortages will affect the family as well as the schools. It will become increasingly important that each school child gets at least one good meal a day. As Chairman of the Committee on Nutrition and Human Needs, you can appreciate more than most the value of the investment in the health and performance of children.

Thank you again for your interest in the School Lunch and School Breakfast Programs.

Sincerely,

M. GERTRUDE GRINEY,
Director, School Nutrition Programs.

MARYLAND

STATE DEPARTMENT OF EDUCATION,
Baltimore, Md., July 27, 1973.

Hon. GEORGE MCGOVERN,
Chairman, U.S. Senate Select Committee on Nutrition and Human Needs, U.S. Senate, Washington, D.C.

DEAR SENATOR MCGOVERN: This communication is in response to your night letter sent to Eleanor G. Weagly on July 24, 1973. The following information is submitted in answer to the questions concerning increased costs for school meals:

1. For the 1972-73 school year, the average cost of lunch was 61.3¢ for the State. With the present rise in food costs, anticipated decrease in commodities, increased labor costs and a general squeeze on public monies, the cost of the lunch will undoubtedly increase. According to recent bids for food, the anticipated increase of the cost of lunch is between 15-20%. This would mean a cost of 73¢ per lunch. According to one local school system, pre-plated meals have increased in cost by 32%.

Breakfast cost for 1972-73 school year averaged 35.7¢ for September and 37.2¢ for May 1973. For the 1973-74 school year, milk bids have remained fairly steady; but there is every indication that bread and fruits for the breakfast will be more costly. With the trend of rising costs, it is anticipated that breakfast will have a cost of approximately 40¢ for the oncoming school year.

2. The majority of the local school systems are trying to "hold-the-line" on the price of lunch and breakfast to the children. We do not foresee a change in the price of the breakfast to the child. One local school system did raise the cost of the lunches to the children by 5¢ per lunch.

3. There is an anticipated decrease in the availability of commodities and this will increase the overall cost of the lunch by 6-10¢ per lunch and/or the lower the quality of the meals. There are no substantiating or reliable figures that can be used for the breakfast program but the amount of commodities is minimal.

4. If reimbursement rates are not increased, there will undoubtedly be an increase in the price of lunch to the paying child and/or a drastic reduction in the quality of the meal. A five cent increase in the lunch prices causes a 5-10% decrease in lunch participation or an 8% statewide decrease. School systems with the lower cost of lunch to the child have higher participation rates. A pilot study conducted in one local school system showed increased participation when the price of lunch was lowered.

5. With the availability of State money to help underwrite the cost of free and reduced price lunches, the area of greatest need in the State of Maryland is an increase in the national average lunch payment from general cash-for-food assistance for lunches from the present 8¢ to a national average of 15¢. This is urgently needed in order not to price the paying child out of the market.

We hope the above information will be helpful in the legislation vital to both the school lunch and school breakfast programs and their contribution to the health and welfare of Maryland children.

Sincerely,

RUTHETTA L. GILGASH,
Specialist, Food Service Programs.

MASSACHUSETTS

BUREAU OF NUTRITION EDUCATION AND SCHOOL FOOD SERVICES,
Boston, Mass., July 26, 1973.

HON. GEORGE MCGOVERN,
Chairman, U.S. Senate Select Committee on Nutrition and Human Needs, Washington, D.C.

DEAR SENATOR MCGOVERN: Your telegram requesting information on increased food and labor costs and their relation to the operation of School Lunch and Breakfast Programs is most timely.

During the past fiscal year the average cost of producing a Type A lunch was approximately 58 cents and of a Breakfast, 30 cents. A recent USDA Four-State study and an American School Food Service

Association survey of lunch costs revealed cost factors within a variable of one cent to our average cost.

These averages do not reflect increases in food and labor costs which began to spiral during the latter part of the last school year. Neither do they reflect the anticipated skyrocketing of prices during the coming school year.

Without compensatory increases in federal cash reimbursements and in the value of available free food commodities, all school food service programs are headed for financial difficulty.

Increasing charges to the children, which have been at an average of 35 cents for lunches and 20 cents for breakfasts is not the answer. To offset anticipated 25% increases in labor and food costs, charges for lunches would have to be increased by about 15 cents and for breakfasts, about 10 cents.

Previous experience indicates to us that each 5 cent increase in charges will surely result in a 20 percent decline in the number of children purchasing either lunches or breakfasts. It is frightening to contemplate the separation of at least 300,000 children each day from needed nutritional supplementation.

You ask what suggestions we would make to improve these programs in light of increased costs. Companion bills intended to strengthen existing child nutrition programs have been filed in the House (HR 4974) and in the Senate (S 1063). Both bills are most comprehensive and if enacted, subject to further amendment, would have a desired effect on the functional effectiveness of all programs. Because the reimbursement rate increases suggested in these bills were established prior to recent developments, we feel that they should be adjusted to reflect anticipated cost increases. Rather than 10 cents, the average payment for paid lunches should be increased to at least 12 cents and the special assistance factor for free lunches to at least 55 cents. Breakfast reimbursement rates should be increased also in recognition of cost increases.

The USDA, acting on presidential proposals and subsequent House action, but without Senate concurrence, has advised the States of its intent to subsidize only the service of milk to children in schools without available food services. This rather arbitrary action reduces the Special Milk Program appropriation from \$97.1 million to \$25 million and deprives millions of children of low-cost milk.

For your particular attention, we have attached a copy of an administrative directive recently received from USDA pertinent to the pricing of a-la-carte milk served in schools operating food services. In accordance with this directive, summer schools serving lunches will not be able to increase milk only charges to make up for the proposed subsidy losses.

If this same policy remains in effect throughout the regular school year, cities and towns throughout the nation will definitely be confronted with a serious problem. Will they provide \$72.1 million additional tax dollars to fund these programs? We do not think so and anticipate that if the USDA rulings prevail that thousands of schools will withdraw from programs. Could it be that the administration favors such withdrawals? This action, also does not appear to be consistent with expressed Administration intent to alleviate local tax burdens through revenue sharing and other plans.

We are grateful for your continued interest in our programs and suggest that you contact us immediately in the event that you have need for further information.

Sincerely yours,

JOHN C. STALKER,
Director.

[Enclosure.]

U.S. DEPARTMENT OF AGRICULTURE,
FOOD AND NUTRITION SERVICE,
Princeton, N.J., July 16, 1973.

Subject: School Milk Prices Are Frozen.

To: State Child Nutrition Directors.

The Cost of Living Council has advised us that the price of milk charged to children in summer school programs is frozen. The effect of this policy decision is that no school which provides food service to attending children can increase the charge of milk to compensate for the discontinuance of the Special Milk Program reimbursement to such schools. We are further advised that the Council will try to publish a question and answer in the Federal Register reflecting this decision as part of their periodically published Q & A's on the scope and effect of the freeze.

Please advise your local school authorities of this price decision as soon as possible.

We will furnish prompt guidance on the scope and effect of Phase IV guidelines when they are released.

DAVID B. ALSPACH,
Regional Director, Child Nutrition Programs.

MICHIGAN

DEPARTMENT OF EDUCATION,
Lansing, Mich., July 30, 1973.

HON. GEORGE MCGOVERN,
*Chairman, Select Committee on Nutrition and Human Needs,
U.S. Senate, Washington, D.C.*

DEAR SENATOR MCGOVERN: I am pleased to have the opportunity to respond to the five questions posed in your recent telegram.

The attitude of the entire Congress toward the Child Nutrition Programs since they began, but more particularly over the past few years, has been extremely gratifying.

The problems of child hunger and malnutrition have certainly been brought into focus during the past few years, and I believe we are now at a point where we can actually see a bridge over the nutrition gap. Your efforts, and the efforts of your Committee and its individual members, have played a large part in bringing attention to the fact that we have had, and unfortunately still do have, hunger and malnutrition among our school children.

This is one program where the benefits are immediately apparent, and where we know that funds spent are accruable to the intended pur-

pose. I hope, in the face of rapidly rising prices, we do not lose sight of the basic needs of all people, and more particularly those of our children.

If these programs are allowed to fail, we will have lost 28 years of progress toward the elimination of child hunger and malnutrition in this country.

1. Estimated average cost for 1973-74: Lunch 68.8¢; Breakfast 28.7¢.

While average cost data for 1972-73 are not yet complete, the above estimates are justifiable, and are perhaps even conservative. We have contacted several representative districts for verification with the following results:

a. The overall increase in cost (1972-73 over 1971-72) appears to be about 2.5¢ per lunch and about 1.5¢ per breakfast. However, the greatest increases, 10% to 12%, took place during April, May, and June. Average costs for 1972-73 appear to be about 62.6¢ per lunch and 25.6¢ per breakfast. This does not include commodity value. If donated foods were not available, another 7¢ would have to be added per lunch, and 3¢ per breakfast.

b. Continuing the cost increase data for the last three months of 1973, we projected costs for 1973-74 and found that they compare as follows:

1972-73—Lunch, 62.6¢; breakfast, 25.6¢.

1973-74—Lunch, 68.8¢; breakfast, 28.7¢.

2. Student prices will have to be raised for 1973-74 if these estimates hold up, and most student prices are already at the saturation point. Most schools with whom we have already had discussions on price increases indicate that five cents per lunch would not be out of line. A general raise of five cents would no doubt cut participation considerably. We have had no inquiries concerning breakfasts, although a five cent raise appears necessary here also.

3. I cannot visualize the U.S.D.A. being able to purchase commodities during 1973-74 that would approach even 1972-73 levels. As you will recall, P.L. 93-13 provided for the unused portion of funds appropriated for commodity purchases during 1972-73 to be distributed to schools in the form of cash. This distribution, at least partially saved our schools from certain disaster during 1972-73 and this is must legislation for 1973-74.

4. Without increased reimbursement rates to at least 12¢ under Section 4, and 50¢ under Section 11, combined with "commodity shortfall" legislation, our school lunch programs will be discontinued by the dozens. A few high schools have already dropped out in favor of a-la-carte and vending machine service.

5. As you may be aware, most of our State Directors favor and support S-1063 (Humphrey) and HB-4974 (Perkins). These identical Bills provide many innovations for both child feeding and child nutrition; which incidentally should not be separated. My own view is that in spite of the tremendous value of these Bills "en toto" there are three or four items which I think of as "survival items".

A. Increased funding as follows:

1. School Lunch*—Section 4—12¢ per lunch *minimum*. Section 11—50¢ per lunch *minimum*, with authority to provide up to 70¢ in situations of unusual need.

2. School Breakfast—Fully paid, 10¢ per breakfast; free, 30¢ per breakfast; reduced price, up to 20¢ per breakfast.

3. Non-Food Assistance—Must be increased to the full \$40 million authorization. This is contingent upon operating funds in "1" and "2" above. Without sufficient operating reimbursement, schools will drop out, rather than be coaxed in.

B. Provision for "commodity short fall" must be made again for 1973-74, and should actually be made permanent.

C. State Administrative Expense funds are hopelessly inadequate. My personal preference is for a "line item" budget increase under a new formula, rather than authorization to skim SAE funds off the top of regular program funds. The line item could be *based* upon a percentage of regular funds, but should not actually be drawn from them. The method used however, is not a big enough problem to worry over, as long as funding is adequate.

D. I believe that support for Section 12 of S-1063 is necessary. This Section would provide for a re-definition of "no Program Schools" to include those schools, where food service has been initiated on a temporary or emergency basis, as a matter of expediency in getting food service in. Many schools in Michigan, in this situation are now desirous of converting to a regular district operation, which would be more acceptable to children and less expensive to operate. We cannot help them under current U.S.D.A. policy with no program school (reserved) equipment funds and "unreserved" funds are insufficient.

In addition to your questions there are two other areas of considerable concern to me, and I know to many other state directors.

1. Non-food assistance regulations or statutes should be changed to include those schools of marginal need. Michigan is now faced with the problem of many no-program schools, public and private, where considerable numbers of needy children attend, although they are not necessarily in "pockets of poverty." These schools house many needy children and others who need food service, but do not qualify for special assistance. One of our more classic examples is a district where about 30,000 children attend 50 schools where no Type A service is now provided. According to our family income criteria, there are approximately 1,500 needy children in attendance, spread out among those 50 schools. Today's regulations prevent the state office from providing non-food assistance to this district, presumably because the need, in terms of the percentage of needy children, is not great enough. The fact of the matter being that 1,500 needy children are being denied service.

2. A similar situation involves the use of Section II funds. In the situation above, assuming that food service is initiated, the

* At a cost of 68.8¢, reimbursements of 12¢ and 50¢ still fall 8.8¢ short of providing full cost of lunches served free to needy children, except in especially needy schools.

maximum rate of reimbursement under current statutes would be 48¢, (Sec. 4, 8¢, and Sec. 11, 40¢). This district is in a high cost area, (and in fact dropped the Type A program several years ago for this reason) where lunch costs would no doubt have reached 67¢ during 1972-73. If all 1,500 needy children participated, at a loss to the district of 19¢ each, an annual deficit of \$49,875 could result. This is unrealistic. I believe that all lunches served to needy children should be reimbursed at cost. A needy child is a needy child, no matter where he happens to live.

Once again, thank you for the opportunity of sharing my views with you, and your committee. If I can be of further assistance, please let me know.

Sincerely yours,

JAMES L. BOROUGH,
*Coordinator, Food and Nutrition Program,
School Management Services.*

STATE OF MICHIGAN DEPARTMENT OF EDUCATION,
Lansing, Mich., August 8, 1973.

HON. GEORGE MCGOVERN,
*Chairman, Select Committee on Nutrition and Human Needs,
U.S. Senate,
Washington, D.C.*

DEAR SENATOR MCGOVERN: In my letter of July 30th, answering your telegram, I was purposefully vague about State Administrative Expense Funds. I had not completely decided which was the way to go, even though it is a critical area.

As I mentioned in my letter, I have been inclined to prefer a line item increase under a new formula. I based this primarily upon two criteria that (1) a 2% authority of total fund allotment might not be adequate in many smaller states, (and this has, since my letter, proven to be correct) even though it would be much more than adequate in Michigan, and (2) if Section 4 appropriations were maintained at current inadequate levels, a 2% skim-off would actually reduce (even though minimal) current reimbursement rates to local school food authorities.

Therefore, recognizing that line item budgeting is not as practical as overall funding, and pre-supposing an increase in Section 4 funding, I would support a percentage skim, which could in some way be drafted so as not to hurt the small states. This might have to carry an authority for states to use an amount up to 3% of previous years aggregate allotments, rather than 2%.

I should re-emphasize that this is a very critical issue in all states, almost as much so as increased reimbursements, "commodity shortfall" and non-food assistance. At this point, lack of staffing in most states does not even provide for completing required tasks, let alone handling critical local issues.

Thanks again for providing me with the opportunity to respond, and if I can assist further, please let me know.

Sincerely yours,

JAMES L. BOROUGH,
*Coordinator, Food and Nutrition Program,
School Management Services.*

MISSOURI

DEPARTMENT OF EDUCATION, JEFFERSON CITY, Mo.,
July 27, 1973.

HON. GEORGE MCGOVERN,
*Chairman, U.S. Senate Select Committee on Nutrition and Human
Needs, Washington, D.C.*

DEAR SENATOR MCGOVERN: This is in response to your telegram requesting our personal response to several questions concerning the ability of our schools to operate and maintain existing Food Service Programs for children in the face of increased and ever increasing food and labor costs.

Our response to your five specific questions shall be in the order in which they were stated in the telegram.

(1) While it is most difficult to anticipate an ever increasing degree of inflation, it would be our best estimate, based on our experience during fiscal year 1973, that the average cost for placing an attractive, nutritionally adequate Type A lunch on the serving line in our Missouri schools will be approximately 70 cents. It is our best estimate that it will cost somewhere in the neighborhood of 27 to 30 cents to place an acceptable breakfast on the serving line if we are to avoid the use of USDA approved *engineered foods*, such as synthetics, and unproven vitamin enriched products, such as *astro cakes* and other *imitation* industry promoted products of highly questionable value.

On the basis of the best information available to us at this time, the above projected costs would compare with an estimated 67-cent cost for Type A lunches and an estimated cost of 25 cents for an acceptable breakfast during the last year.

(2) On the basis of many contacts we have had with school administrators in all areas of our state, there can be no question that the price of lunches will need to be increased this year. Again, on the basis of information received from local administrators, lunch prices will be increased from 5 to 10 cents, primarily because of the uncertainty on the final Federal level of funding, inflation, and possible loss of commodities.

Because of financial difficulties being experienced in the continued operation of the School Lunch Program, very little interest has been expressed by our administrators in initiating the Breakfast Program. It is our judgment that this lack of interest is based on the fact that Federal regulations and reimbursement make no provision whatever for labor cost which must be absorbed by the School Lunch Program and the fact that Federal reimbursement is limited to the cost of food only. For the few schools in our state that may continue participation in the Breakfast Program this year, an increase in Federal reimbursement to absorb at least a portion of the labor cost appears to be the only answer. An increase in the charge to paying students would be insignificant as approximately 95 percent of the breakfasts served during the past year were served free to needy children under mandate of district policy implementation. If we are to avoid the use of the highly questionable engineered foods, which incidentally are not available in all areas, the schools would require a return of approximately 30 cents if interest is to be encouraged.

(3) On the basis of my more than 33 years experience as an administrator of Food and Nutrition Service Programs (7 as a staff member of USDA, and the past 27 years at the state level) and in view of our experience during fiscal year 1973, there can be absolutely no question that we may expect a decrease in the availability of commodities which will affect cost appreciably. We need only to look to the USDA record during fiscal year 1973 when the Congress found it necessary to mandate a distribution of cash in lieu of commodities. This I personally advocated before congressional committees as far back as 1959. It became a reality in 1973.

(4) For fiscal year 1974, a categorical state appropriation as required under Public Law 91-248 will provide approximately 1.4 cents per lunch. It is my judgment that if Federal reimbursement rates are not increased to cushion the shock of anticipated continuing inflationary trends there can be no doubt that participation on the part of paying students will continue to decline. History has told us that each time we have an increase in the charge for lunches it has the effect of pricing a number of the middle and lower middle income children out of the program. This is the very group that has represented our major participants in the expansion and growth of the program over the past 28 years. At the same time we should be reminded that the middle and lower middle income families represent the largest segment of our tax paying population that are contributing toward sustaining the availability of free lunches for needy children. In many, many instances there is very little difference between the income of these families and those declared to be eligible for free lunches under Federally mandated policy regulations. These are the families that are most drastically affected by inflation. Without their continued participation and contributions, we would seriously question the logic in continuing to operate School Food Service Programs strictly for the needy who are guaranteed free lunches by our Federal Government. The schools of this nation were established for the education and training of children (all children), the affluent, middle income, and the needy. At the present time, lunches are available to all children in our schools. The record will show that our lowest participation comes from the affluent; therefore, without the volume participation from the middle and lower middle income groups, it would seem illogical that we could justify continued offering of school lunches on school premises for just one segment of the school population, the needy. Even if lunch programs were continued on such a basis, would this not be a form of identification?

(5) In the light of present conditions—inflation with ever-increasing costs—reported food shortages—devaluation of the American dollar and the drastic effect these conditions are having on the major segment of our tax paying population as well as upon our school financing, I would hesitate on such short notice to suggest a permanent solution to the problems the schools are now facing in the continued operation of their Food Service Programs. It would appear to me that at least a temporary increase in reimbursement rates, both under Section 4 and Special Assistance for the needy, plus a further authorization by the Congress for a cash in lieu of commodities distribution early in the school year, will be required if we are to avoid witnessing the with-

drawal of many of our schools from the National School Lunch Program in fiscal 1974. Should such a situation develop, there can be no question that these schools will revert to snack bar and sandwich operations through which they could recover full cost plus a small profit for those who can pay and no provision whatever would be required for the offering of nutritionally adequate free lunches for the needy.

We appreciate your inquiry and are hopeful that our comments will be of some help to your committee in your congressional deliberations.

Sincerely,

EARL M. LANGKOP,
Director, School Food Services.

MONTANA

OFFICE OF THE STATE SUPERINTENDENT, HELENA, MONT.,
August 6, 1973.

HON. GEORGE MCGOVERN,
Chairman, U.S. Senate Select Committee on Nutrition and Human Needs, Washington, D.C.

DEAR SENATOR MCGOVERN: I have your telegram of July 25, 1973 requesting information on school lunch and breakfast programs.

1. The average cost per meal for the 1972-73 school year was approximately 55 cents per lunch and 28 cents for breakfast. It is anticipated that costs will increase a minimum of 10 percent for 1973-74 or approximately 61 cents per meal for lunch and 31 cents for breakfast. This does not include the value of donated foods.

2. Most school boards have not as yet made a firm decision relating to the charge per child. I feel a majority of schools will increase the charge to the child by 5 cents for both lunch and breakfast. Participation tends to decrease as the cost to families increases which defeats even justified price increases. Approximately 90 percent of those who participate in the breakfast program are needy children.

3. We anticipate a decrease in the availability of commodities. I feel this will appreciably affect meal costs adversely. Individual lunch programs cannot obtain replacement food economically even with commodity shortfall reimbursement. In any event I would urge that unspent commodity funds be reimbursed as a shortfall payment.

4. It will be an extremely difficult year for school food programs even with increased reimbursement rates. This office is urging school boards, administrators and managers to do the best they can with available funds and food.

5. I feel it will be extremely difficult to improve programs at this time because of the shortage of food particularly meats, cheese and other protein foods. Reimbursement rates must be increased in order to maintain programs.

I feel the Humphrey-Perkins companion bills should be given serious consideration.

Thank you for the opportunity to express my views to you. If you have any further questions, please let me know.

Sincerely,

H. BRISBIN SKILES,
Supervisor, School Food Services.

NEBRASKA

DEPARTMENT OF EDUCATION, LINCOLN, NEBR.

July 26, 1973.

Senator GEORGE MCGOVERN,

Chairman, U.S. Senate Select Committee on Nutrition and Human Needs, Washington, D.C.

DEAR SENATOR MCGOVERN: This is in reply to your telegram of July 24, 1973. We do, indeed anticipate an increase in per meal costs this year in both the school lunch and breakfast programs. The average cost per lunch last year was approximately 57 cents. We anticipate it may be 67 cents, or more, this year. A comparable increase is anticipated in the breakfast program.

Nearly all schools are planning an increase in prices to students. Most are planning an increase of ten cents per lunch and five cents per breakfast. Such an increase provides the only available method to cover increased costs unless there is an increase in federal reimbursement. Nebraska provides only the bare minimum for matching purposes from state revenues. A new state aid to education law prohibits local school districts from making increased contributions to feeding programs. Increasing the price to students is the only other way to cover the increased costs.

Yes, we anticipate a decrease in availability of commodities. This will result in comparable increased per meal costs at the local level. We, therefore, urge permanent legislation comparable to Public Law 93-13.

It is anticipated there will be a decrease in participation this year. More children will purchase snacks at off-premise places rather than pay the increased price for Type A lunches. More parents from the middle income group will send sack lunches in an attempt to hold down their expenses, particularly those who qualify for reduced price lunches but refuse to accept them.

The only solution to maintaining, or increasing, the present rate of participation is increased federal reimbursement in a substantial amount and an assurance that the increase will be continued, not just a temporary solution. Schools without food service will not consider initiating such service in the face of increasing costs without assurance of increased assistance that can be depended on in years to come.

Sincerely,

ALLEN A. ELLIOTT,
Program Director, School Food Services.

NEVADA

DEPARTMENT OF EDUCATION, CARSON CITY, NEV.,
August 1, 1973.

HON. GEORGE MCGOVERN,
U.S. Senate Select Committee on Nutrition, and Human Needs,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGOVERN: We believe increased food and labor costs will make it extremely difficult to provide nutritious school meals unless federal support for cash and commodities is increased materially. Prices are rising so rapidly that it is difficult to estimate the increase in costs. I shall respond to your questions in the order in which they were listed in your telegram of July 24th.

1. We estimate the average cost of producing a lunch will be 80 to 85¢ which is 20 to 25¢ more than last year. We estimate the average cost for producing a breakfast will be 45¢ which is 20¢ more than last year.
2. We estimate the student price per lunch will increase 10 to 15¢ per lunch. We estimate the student price per breakfast will increase 5 to 10¢.
3. A decrease in the availability of commodities will affect costs appreciably.
4. We believe participation will decrease unless reimbursement rates are increased.
5. We suggest expansion of nutrition education efforts as detailed in companion legislation pending in the Senate and House.

Please be assured of our continued cooperation.

Sincerely,

ELEANOR BATEMAN,
Supervisor, Food Services.

NEW HAMPSHIRE

DEPARTMENT OF EDUCATION,
August 2, 1973.

Senator GEORGE MCGOVERN,
Chairman, U.S. Senate Select Committee,
Washington, D.C.

DEAR SENATOR MCGOVERN: In response to your telegram of 25 July, I regret the delay in answering but, I wanted actual year end data to base our reply upon.

1. (a) The average cost per lunch estimate for fiscal year 1974 in New Hampshire: \$1.60 minimum wage—\$.75 base cafeteria; \$.80 satellite service. \$2.00 minimum wage—\$.8344; \$.8844.

(b) The average cost per breakfast estimate for fiscal year 1974 in New Hampshire: *\$1.60 minimum wage*—\$.2625 base cafeteria; \$.2925 satellite service. *\$2.00 minimum wage*—\$.3047; \$.3347*.

2. Student lunch prices are apparently going up on the average of \$.10 per lunch. At the \$1.60 minimum wage level this means in most cases a town is losing about \$.17 on a paid lunch and with current USDA restrictions on going above \$.40 Sec. 11 and \$.08 Sec. 4 reimbursement, towns will be losing \$.27 per free lunch. Our State reimbursement is at the minimum required by law and there is little hope for relief from our legislature who are hard pressed to meet current biennial needs. Their generosity in meeting current matching requirements was appreciated in view of other equally pressing financial requests.

Breakfast charges are required by regulation to meet the cost of the breakfast less the \$.05 reimbursement so these too will be rising. I would estimate \$.05 to \$.10 per meal.

3. I anticipate substantial reduction in commodities. Commodity receipts for New Hampshire during the past three fiscal years are displayed below: Fiscal year 1971—\$838,116.00. Fiscal year 1972—\$927,244.20 (+10.63%). Fiscal year 1973—\$757,777.00 (-18.27%).

Our commodity utilization per meal for fiscal year 1973 equaled \$.0587 per meal as against \$.1072 per meal for fiscal year 1972. A 10% reduction in commodities for fiscal year 1974 would result in a loss of \$83,925. I anticipate over the year much more than a 10% reduction. The result means the purchase of more prepared items in the wholesale market. The net increase in cost per item over "in house" preparation average \$.03 to \$.06 per meal in our experience. This additional cost will end up in the red line column at town meeting. I have not yet approached this subject with our managers. With the Type A pattern as inflexible as it is inviolable with regard to portion sizes we are it seems between a rock and a hard place.

4. Rate increases are inevitable. We are suggesting them for the very concrete reasons stated above. Participation seems to be holding its own according to our rate increase experience for 1973—School Lunch is still a bargain. With our town meeting form of government however, most people will soon be aware of the losses. On an estimated participation next year the state wide losses (School Lunch Program) may well look like this:

Meals—Paid, 10,793,746; free, 1,579,572; reduced, 789,786. Dollar loss—Paid, \$1,834,937; free, \$426,484; reduced, \$213,242; for a total \$2,474,663 loss.

This loss equals for all meals \$.188 (per meal). To be realistic then, Federal Reimbursement should be raised to meet these loss estimates. One solution would be to reduce the percentage of free or reduced price meals (75% free or reduced) required to be served before we can go above the \$.40 and \$.08 reimbursement scale. While not solving the problem it could take a lot of sting out of the financial needle.

Sincerely yours,

GEORGE A. BUSSELL,
Director, Food and Nutrition Service.

*Exceeds maximum allowable reimbursement for a free breakfast (first time for this to happen in this State).

NEW MEXICO

DEPARTMENT OF EDUCATION, SANTA FE, N. MEX.

July 27, 1973.

Senator GEORGE MCGOVERN,
U.S. Senate
Washington, D.C.

DEAR SENATOR MCGOVERN: Thank you very much for your telegram of July 25, requesting information concerning the Child Nutrition Programs and current legislation before Congress. I would like to answer your questions as follows:

1. What do you estimate will be the average cost in your state of producing lunch this coming year? Breakfast? How will this compare to last year?

The average cost for this past year was 55.1¢ with the situation which we currently have with respect to the increasing cost of food plus the anticipated increase in cost of labor. I would estimate that the average cost per lunch this coming year will be between 55¢ and 60¢. This is a conservative estimate.

The average cost for breakfast could be estimated at between 28¢ and 32¢ including food and labor.

This cost will represent an approximate increase of 10% to 15% over last year's cost.

2. Will the student's price be increased per lunch? For breakfast? How much on the average would the increase be?

Yes, almost all schools throughout the state have had to increase to 40¢ per student for the opening of the school year. It is anticipated that in some districts there may be another increase about mid-year to 45¢.

3. Do you anticipate a decrease in the availability of commodities? Will this affect cost appreciably?

Yes, this decrease has already become evident in the fact that we will be receiving no dry milk this fall. We will be receiving only fryers, orange juice and ground pork under Section 6. There will be no ground beef or turkeys available. There is also an indication of limitation on salad oil and all fruits and vegetables. At the present time there are no fruits and vegetables for distribution in the August delivery. This will affect the food cost very drastically in that these foods need to be purchased in the open market and will obviously increase the cost per meal.

4. If reimbursement rates are not increased, what will the specific effect be in your state? If they are, will participation decrease?

First of all, there will be an increased cost to the paying child. Second, there will be a severe curtailment in menu variety and in types of food offered. I would anticipate a definite decrease in participation as the appeal and popularity of the program declines due to the cost restrictions.

5. What suggestions would you make to maintain and improve these programs in light of increased cost?

First of all, I believe that the proposed reimbursement levels contained in S. 1063 are the very minimum which can be wrought

in light of these increased costs. The reimbursement for the needy child's meal of 55¢ will just now barely meet the average cost per meal. Certainly, there needs to be an improvement in general management practices which will result in greater economies across the board, both in food and labor. However, improved management at the local level will require more staffing at the state level in order to maintain monitoring services, consulting services, review activities, and other assistance which may be required.

I would urge every possible means by which support and endorsement of S. 1063 could be developed. The Child Nutrition Programs in New Mexico are considered by all administrators to be a vital aspect of the education program of this state. To place it in jeopardy at this time would indeed be a reverse step in seeking to overcome problems of poor nutrition and standard levels of achievements in education. I have just returned from an administrators workshop with superintendents and business managers from across the state. Their opinions very definitely reflect a strong support for child nutrition programs and a definite trend toward the universal school food service program.

Thank you very much for your help in developing strong legislation for the Child Nutrition Programs.

Very sincerely yours,

GRETCHEN Y. PLAGGE,
Director, School Food Service Division.

NEW YORK

STATE EDUCATION DEPARTMENT, ALBANY, N.Y.,

August 7, 1973.

Senator GEORGE MCGOVERN

*U.S. Senate Select Committee on Nutrition and Human Needs,
Washington, D.C.*

DEAR SENATOR MCGOVERN: In reply to your telegram of July 24, 1973 regarding School Lunch and School Breakfast programs we have gathered the following information.

1. Average lunch costs in New York State in 1972-73 school year was \$.62 while the average breakfast costs amounted to \$.33.

We are estimating a minimum increase of 10 to 15 cents for lunches in the 1973-74 school year, with an additional 3 to 5 cent increase in breakfast costs.

2. Our information indicates that the student price per lunch will increase \$.05 in upstate districts and \$.15 in downstate suburban districts. The breakfast charge to students apparently will increase approximately \$.10.

3. Any decrease in commodities will affect the total income of the program. Most of our school districts are budgeting \$.05 per lunch in commodities for the 1973-74 school year. Without the special "short-fall" payment in the 1972-73 school year, revenues would have been off \$.03 per lunch in almost all of the districts in the state.

4. If reimbursement rates are not increased there will be general price increase to the students and many programs throughout the state will terminate, especially in the suburban districts.

Districts with numbers of needy children may be forced out of program due to inability to subsidize the free and reduced price lunches.

If reimbursement rates are increased schools may be able to either limit or eliminate increased charges to the paying students and be able to continue their free and reduced price lunch programs without excessive local effort.

With increased reimbursement and limitation of increased prices to the students total participation in program should increase as the price of home made lunches continue to rise with increasing food costs.

5. In light of rising costs and the demand at all levels of government for more accountability in the expenditure of funds serious consideration should be given to increasing the amount of administrative monies available for State Education Agencies with a specific staffing requirement for State Agency field supervisors, management and training personnel. With Federal Administrative Expense funds up to a maximum of 75 percent of total State Educational Agency costs an intensive program of Administrative Reviews and Management training could help local educational agencies to administer these programs more effectively.

Consideration should also be given to re-evaluating the validity of the rigid Type A pattern as the only basis for reimbursement. The present system could lend itself to some over-reporting of Type A lunches in an effort to recover district overhead costs for management and supervisory personnel. The possibility of a flat grant for overhead costs on a per enrolled child basis might be an area to explore.

Thank you for the opportunity to answer your questions and hopefully to help you in your deliberations in this very important area.

Yours truly,

THOMAS H. CALVIN,
Assistant Director Federally Aided Programs.

NORTH CAROLINA

DEPARTMENT OF PUBLIC INSTRUCTION, RALEIGH, N.C.,
July 27, 1973.

HON. GEORGE MCGOVERN,
Chairman, Select Committee on Nutrition and Human Needs, U.S. Senate, Washington, D.C.

DEAR SENATOR MCGOVERN: In regards to your telegram, lunch and breakfast prices in North Carolina will be advanced by a minimum of 5¢.

In North Carolina the General Assembly recently passed a law requiring that local school administrative units provide all school food service employees with an additional $2\frac{1}{2}$ days of holiday and vacation time. Adding this cost to the increased cost of food will mean

most schools will be operating with a deficit or will force them to close their food service program. Labor and food costs will be increased by at least 26% over last year. Large numbers of students will be forced out of the school food service program by the very fact that the paying student is now being priced out of participation. With the anticipated decrease in commodities, school food service and breakfast programs face the toughest year financially.

Congress has mandated that free and reduced priced meals be provided all children from families whose income is below the Secretary's poverty guidelines. In my opinion, it will be impossible for states to carry out the requirements of the law unless additional funding of at least 5¢ per meal is forthcoming. I respectfully request that you express to the Congress the critical situation facing the National School Lunch and Breakfast Program.

Let me thank you for your continued interest and support.

Sincerely,

RALPH W. EATON,
State Director, School Food Services.

NORTH DAKOTA

DEPARTMENT OF PUBLIC INSTRUCTION, BISMARCK, N. DAK.,
July 25, 1973.

Senator GEORGE MCGOVERN,
Washington, D.C.

DEAR SENATOR MCGOVERN: The following is in answer to your telegram received this morning:

1. *What do you estimate will be the average cost of producing a meal this coming year?*

Estimated average cost of producing a lunch in North Dakota—63.18¢. This is a 12% increase of the 1973 fiscal year cost.

Estimated average cost of producing a breakfast in North Dakota—33.6¢. This is also an increase of approximately 12%.

2. *Will the students' price be increased?*

Per Lunch—early indications are that schools will be increasing the cost per lunch at an average of 5¢.

Per Breakfast—we anticipate an increase in the cost per breakfast, particularly since schools received the fiscal year 1973 decreased reimbursement information too late to raise the charge to the child.

The average increase will be approximately 5¢.

3. *Do we anticipate a decrease in the availability of commodities will affect costs appreciably?*

Yes. USDA commodity decrease will affect meal costs unless the "Commodity Shortfall Payment" becomes permanent legislation.

4. *If reimbursement rates are not increased, what will the specific effects be?*

Increased student charges and a tight financial squeeze for the school districts.

If reimbursement rates are increased, will participation decrease?

If reimbursement rates are increased, we expect the schools to hold the line on per meal charges for 73 FY in order to maintain participation. (At the present time the school food authorities are setting student charges based on the fully paid meal reimbursement rate of 8¢/lunch and 5¢/breakfast—Clayton Yeutter Notice dated June 29, 1973.)

5. *Suggestions to maintain and improve these programs in light of increased costs:*

An increase in reimbursement for the child feeding programs, holding the line on minimum portions to meet the meal requirements, and improved USDA commodity purchases.

Sincerely,

ROBERTA A. BOSCH,
Director, School Food Services.

OHIO

DEPARTMENT OF EDUCATION, COLUMBUS, OHIO,
July 27, 1973.

HON. GEORGE MCGOVERN,
Chairman, U.S. Senate Select Committee on Nutrition and Human Needs, Washington, D.C.

DEAR SENATOR MCGOVERN: The following comments are in reply to your night letter received July 25 concerning the status of the School Lunch and Breakfast Programs for the coming school year.

1. It is estimated that the average cost of producing a lunch this coming year will be at least 72¢ and for a breakfast, 28¢. We estimate these costs will be some 10% higher than last year.

2. We are having many inquiries about the affect of the price freeze and the charges for next year. We anticipate in many instances the lunch price will be increased at least 5¢ and in some places more than that. The charge to children for breakfast will stay about the same at approximately 15¢. Most breakfasts served are free.

3. Based upon last year's commodity experience we are anticipating a decrease in the variety and amount of USDA-donated commodities. This will affect costs appreciably. It will be very important that provision be made for another commodity shortfall in the form of cash reimbursement for unpurchased commodities.

4. An increase in lunch charges nearly always results in a decrease in participation. After a few weeks the decrease is often overcome. With all the costs of food, labor and other living factors at home increasing, it is difficult to forecast what the net result in school feeding will be. Based on an educated guess, it's possible that parents may encourage children to eat at school.

5. My suggestion would be to increase the base lunch reimbursement from 8¢ to 10¢ and free lunches from 40¢ to 45¢.

Very truly yours,

WADE D. BASH,
Chief, School Food Service Program.

OKLAHOMA

DEPARTMENT OF EDUCATION, OKLAHOMA CITY, OKLA.,
July 31, 1973.

Subject: Effect of food and labor costs on School Lunch and School
Breakfast Program operations.

HON. GEORGE MCGOVERN,
Washington, D.C.

1. We estimate the average cost in Oklahoma of producing a lunch this coming year at 69.5 cents and a breakfast at 33 cents. This is compared with last year's 56 cents and 23.5 cents respectively.

2. Student prices for breakfast and lunch, when increased, will be increased per meal on the average of 5 cents.

3. The availability of commodities will be decreased, affecting per meal cost from 3 cents to 5 cents, and possibly more.

4. If reimbursement rates are not increased, specific effects in Oklahoma will be: (1) poorer quality meals; (2) increased meal charges to the paying child; or, (3) possible cancellation of program/s.

If reimbursement rates are increased, at this time we feel participation would increase. Programs would be able to offer *high quality meals for reasonable prices* in contrast to the profit-making competitors who have increased prices to *make their profit*.

5. We suggest in order to maintain and improve these programs, in light of increased costs, Oklahoma would need 14 cents reimbursement for lunch and at least a 5 cent per rate increase for breakfast.

CHESTER COULTER,
Administrator, School Lunch Section.

PENNSYLVANIA

DEPARTMENT OF EDUCATION, HARRISBURG, PA.,
August 20, 1973.

HON. GEORGE MCGOVERN,
Chairman, Select Committee on Nutrition and Human Needs, U.S.
Senate, Washington, D.C.

DEAR SENATOR MCGOVERN: This is in reply to your telegram of July 25, 1973 regarding questions pertaining to School Lunch and School Breakfast Programs. I will respond to the questions in the same order as appears on the telegram.

1. We estimate that the average cost of producing a lunch in Pennsylvania this coming year will be \$.63, while the cost of pro-

ducing a breakfast for this coming year will be \$.28. Last year the cost of producing a lunch was \$.57 and the cost of producing a breakfast was \$.25.

2. We anticipate that the student price will be increased for both lunch and breakfast approximately 10%.

3. We anticipate that there will be a decrease in the availability of donated commodities and that this will affect the cost of producing a lunch and a breakfast appreciably.

4. If reimbursement rates are not increased, this will mean increased cost to students and an increased burden to the local school district as well as a limitation in the variety of foods made available to the students. It is possible that some sponsors may find increased costs so prohibitive that they may be forced to withdraw from the programs.

5. We suggest that nutrition education be stressed to promote the programs. Of course, increased reimbursement and donated commodities are certainly necessary if sponsors are to continue to operate their programs as in the past.

We appreciate your continued concern for the Child Nutrition Programs of our country and trust that this information will be helpful to your committee.

Sincerely,

KENNETH G. REINHART, Jr.,
Chief, Division of Food and Nutrition Services.

SAMOA

DEPARTMENT OF EDUCATION,
July 27, 1973.

Senator GEORGE MCGOVERN,
Chairman, U.S. Senate Select Committee on Nutrition and Human
Needs, Washington D.C.

1973 fiscal year cost for lunches, .53 cent Breakfasts approximately .08. Anticipate 25-percent increase in food materials; 5-6 percent in labor; a possible 23-percent increase in freight costs. All student lunches and breakfasts are served free. Some indication of decrease in commodities. Purchase to replace decreased commodities would increase costs substantially as per above. Frozen chicken in 1973 fiscal year .31 per pound; currently .67 per pound—reimbursement rates must offset increased costs. Increased availability of surplus commodities would offset substantial portion of estimated increased costs.

TYMAN L. STEPHENS,
Department of Education.

SOUTH CAROLINA

DEPARTMENT OF EDUCATION,
Columbia, S.C., July 25, 1973.

HON. GEORGE MCGOVERN,
*Chairman, U.S. Senate Select Committee on Nutrition and Human
Needs, Washington, D.C.*

DEAR SENATOR MCGOVERN: Thank you for your telegram of July 24, 1973, requesting information concerning South Carolina's ability to operate the school food programs while fighting increased food and labor costs.

The average cost of producing a lunch last year amounted to 50.5¢ in South Carolina (exclusive of USDA commodities and some hidden costs that were not easily identifiable).

As you know, Federal reimbursement for free meals (52% were free or reduced in South Carolina last year) amounted to 40¢ and 8¢ for all meals. We believe that if Federal reimbursement rates are not increased for the coming year, the price charged will necessarily have to be increased in proportion to the increase in costs. In this office we are not recommending over 5¢ increase per meal at the beginning of the school year for fear of pricing the program out of reach to many of our youngsters who need a nutritious meal. At the same time, if Federal reimbursement rates are increased this will cause increased rather than decreased participation.

We anticipate a sharp decrease in the availability of commodities for the coming school year in view of the fact that local flooding has caused extensive damage thus affecting costs appreciably. We believe that if commodities continue to become more scarce additional appropriations in cash in lieu of commodities is an absolute necessity in order to maintain present levels of the program (South Carolina's participation last year was nearly 80% of total school population).

Additionally since Congress has not appropriated funds for the Special Milk Program (except for no program schools), this too will have a serious affect in South Carolina since all public schools are program schools.

Nearly 27 million extra one half pints of milk were sold to youngsters at a cost of 4¢ or 5¢. This means an additional charge of 4¢ to the child to replace the Federal reimbursement which we received last year if such is not funded again this year.

It has been made clear to the local districts that it is not the prerogative of the State office to dictate the prices that must be charged to the child; however, our general recommendation is to begin the school year with no more than 5¢ increase over last year's charges if such can possibly maintain the program.

Thank you sincerely for your dedicated efforts in promoting the Child Nutrition Programs which we administer.

Sincerely yours,

DAVID S. MATTHEWS,
Director, Office of School Food Services.

SOUTH DAKOTA

SCHOOL FOOD SERVICES DIVISION, PIERRE, S. DAK.

July 26, 1973.

Senator GEORGE MCGOVERN.

Chairman, U.S. Senate Select Committee on Nutrition and Human Needs, Washington, D.C.

DEAR SENATOR MCGOVERN: This letter is in response to your telegram which was received on July 24, 1973.

1. *What do you estimate will be the average cost in your State of producing a lunch this coming year? A breakfast? How will this compare to last year?*

The average cost of preparing a lunch this year will be between 55¢ and 60¢ and higher if the minimum wage is increased. The average cost of preparing a breakfast will be 28¢ to 32¢. These cost are about 15% higher than last year.

2. *Will the students price be increased per lunch?*

Yes, a minimum of 5¢ and in many cases 10¢.

Per breakfast?

Yes, at least 5¢.

3. *Do you anticipate a decrease in the availability of commodities will affect costs appreciably?*

Absolutely. In some cases a shortage of commodities could sound the death knell for some programs.

4. *If reimbursement rates are not increased, what will be the specific effects in your State?*

With 30 to 35% of our students eligible for free lunches if reimbursements are not increased who will pay the difference? Many school boards are having difficulty now meeting costs and will not channel funds into breakfasts and lunches. Their only alternative would be to force the paying child to absorb the costs. This will destroy programing.

If rates are increased it will provide more opportunity for the needy to eat and allow managers some alternative from beans and and macaroni. The rates should go to 12¢ and 50¢ but 10¢ and 50¢ could help ensure survival of many programs.

5. *What suggestions would you make to maintain and improve these programs, in light of increased costs?*

The people must be made to realize the importance of proper nutrition. With increasing food costs cheap substitutes for the real thing will have a hey day on the grocery shelves. These will necessarily find their way into school lunch programs as well. I am appearing before 1,000 of our school lunch managers and cooks at six regional workshops in August. It will be distressing for me to face them. They have been challenged to produce meals year after year on low budgets and have received only the minimum personal compensation. If I can paint only a drab picture of Congressional and Administration interest as reflected in lack of legislation in the areas of increased reimbursement and money in lieu of commodity shortage, then where does it leave them.

I believe the Senate Select Committee on Nutrition and Human Needs has a major role that should not even be transcended by the Watergate Committee. Its role is to get the message to the people that we are reaching a crisis in our quantity feeding programs and there must be quick action.

Your committee has the expertise and I hope all of South Dakota's members of Congress are 100% behind anything you attempt to do to raise food standards. They had better be, coming as they do from an agricultural State.

Sincerely yours,

MARTIN SORESENSEN,
State Director, School Food Services.

UTAH

BOARD OF EDUCATION, SALT LAKE CITY, UTAH,
July 25, 1973.

HON. GEORGE MCGOVERN,
*The U.S. Senate,
Washington, D.C.*

DEAR SENATOR MCGOVERN: In response to your telegram received this day we submit the following answers to the questions asked:

1. (a) Estimated average cost of producing a lunch this coming year: 61 cents
- (b) Estimated average cost of producing a breakfast this coming year: 31 cents
- (c) Costs will be about 10 percent above last year.
2. The student price for lunch and breakfast will be increased an average of five cents per meal.
3. We anticipate a decrease in the availability of commodities, which will appreciably affect costs. We are banking on cash in lieu of commodities to offset the increased costs.
4. If reimbursement rates are not increased the only alternative to meeting increased costs is to raise meal prices. When prices are raised the participation of non-needy children drops which reduces meal production economies making it even more difficult to provide free meals to needy children.
5. We recommend that the reimbursement rate from Section 4 funds be increased to help hold down the meal price to paying children.

Sincerely yours,

F. WAYNE GLAUS,
Coordinator, Division of School Food Services.

VERMONT

DEPARTMENT OF EDUCATION, MONTPELIER, VT.,
August 7, 1973.

Senator GEORGE MCGOVERN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: In reply to your telegram of July 24, 1973, I wish to offer the following comments.

1. We expect the average cost of preparing a school lunch this year to range between 60 and 70 cents.

The average cost of producing a breakfast will range between 30 and 40 cents.

Both estimates represent a minimum increase of 10 cents per meal over last year.

2. We are receiving numerous requests from school districts for permission to increase their meal prices. The average request is for a 5¢ increase per meal.

3. I do anticipate a further decrease in the availability of commodities, with an adverse effect on operating costs of school food service programs. Coupled with the rapid inflation in the cost of food generally, a repeat of last years situation with respect to commodities is bound to produce a crisis in school feeding in this state.

4. If reimbursement rates are not increased, we can expect a decline in the number of schools participating in National School Lunch Programs, and particularly the Breakfast Program. In schools remaining with these programs we can anticipate a decline in the nutritional quality of meals served.

5. We suggest the following measures to deal with the situation facing child nutrition programs this year.

a. Increase reimbursement by a minimum of 5¢ per meal.

b. If commodity purchase agreements cannot be negotiated in a timely fashion to provide the quantities and variety of food stuffs formerly available (prior to FY 1973) to the Child Nutrition Programs, immediate distribution of cash in lieu of commodities should be undertaken.

c. Funding to maintain the Special Milk Program in its traditional form (available to any school that wants it) should be provided.

d. Increase funding for Non-Food Assistance to both No program and Program schools needing it.

Sincerely yours,

EDWARD L. RYAN,
Chief, Education Field Services.

VIRGINIA

DEPARTMENT OF EDUCATION, RICHMOND, VA.,

July 26, 1973.

HON. GEORGE MCGOVERN,

Chairman, U.S. Senate, Select Committee on Nutrition and Human Needs, Washington, D.C.

DEAR SENATOR MCGOVERN: In response to the questions in your telegram of July 24, I submit the following information:

1. *What do you estimate will be the average cost in your State of producing a lunch this coming year? A breakfast? How will this compare to last year?*

It is difficult to estimate the cost of producing a lunch and breakfast. It is a known fact that food costs will increase. Many school districts have reported they are finding it difficult at this time to get food quotations and bids. Labor costs are also increasing. Average cost of producing a lunch during the fiscal year 1973 was 54.7 cents. Average breakfast cost for the same period was 23.2 cents. It is estimated that the cost for lunch will be near 60 cents and breakfast costs will be 26 cents for fiscal year 1974.

2. *Will the students' price be increased per lunch? Per breakfast? How much, on the average, would the increase be?*

It is anticipated that school divisions will increase their price for lunch and breakfast. The increase will probably be 5 cents per lunch and breakfast with a strong possibility that an additional 5-10 cents increase may be necessary during the school year.

3. *Do you anticipate a decrease in the availability of commodities? Will this affect costs appreciably?*

The availability of commodities is uncertain. It appears that there will be a decrease, particularly in the meats, fruits, vegetables, and dairy products. A decrease in commodities will require the school divisions to purchase at higher costs on the open market. A plentiful supply of donated meats, fruits, and vegetables will help control increased costs of producing a lunch, breakfast, and also help control increased prices to children.

4. *If reimbursement rates are not increased, what will the specific effects be in your State? If they are, will participation decrease?*

Programs cannot operate at a deficit. There will be a decrease in the quantity and variety of foods served. Some schools may be forced to go off the program. It is recognized each time there is an increase in the price of lunch or breakfast there is a decrease in participation. The higher the increase, the greater the drop in participation. Increased reimbursement will help to keep price increases at a minimum.

5. *What suggestions would you make to maintain these programs in light of increased costs?*

(a) Provide additional commodities (meats, fruits, vegetables, dairy products).

(b) Permit labor costs to be considered along with food costs in determining reimbursement for the Breakfast Program.

(c) Permit higher rates of reimbursement? Average of 10 cents under Section 4 for all lunches plus 50 cents under Section 11 for free lunches.

If this office can provide further information, please contact me.

Sincerely,

JOHN F. MILLER,

State Supervisor, School Lunch Program.

WASHINGTON

OFFICE OF FOOD SERVICES,

Olympia, Wash., September 4, 1973.

GEORGE MCGOVERN,

Chairman, U.S. Senate Select Committee on Nutrition and Human Needs, Washington, D.C.

DEAR SENATOR MCGOVERN: In response to your night letter dated July 24, 1973, I submit the following response:

1. It is my estimate that the average cost of producing a school lunch in the State of Washington, this coming year, will be 65 cents. A breakfast of 25 cents. In comparison with last year, it will be a 5-percent increase.

2. Yes. The students' price will be increased for both lunch and breakfast. Already 50 percent have increased prices—about half of those by 5 cents and the remainder by 10 cents.

3. Yes, we do anticipate a decrease in the availability of commodities; and we do expect this to affect costs appreciably.

4. If reimbursement rates are not increased, we will lose programs, and participation will surely decrease.

5. In light of increased costs, I make the following suggestions:

(a) Provide 10-cent basic reimbursement for the national School Lunch Program;

(b) Provide 45 cents reimbursement for free and reduced-price lunches;

(c) Cash payment in lieu of commodities, if value of commodities does not reach 10 cents per lunch;

(d) An 8-cent basic reimbursement for the School Breakfast Program;

(e) A 20-cent reimbursement for free and reduced-price breakfast;

(f) The funds for the School Breakfast Program should be used to assist schools in financing the total cost of operating School Breakfast Program.

VIRGINIA WHITLATCH,

Supervisor, Food Services.

WEST VIRGINIA

DEPARTMENT OF EDUCATION,
Charleston, W. Va., July 26, 1973.

Senator GEORGE MCGOVERN,
*Chairman, U.S. Senate Select Committee on Nutrition and Human
Needs, Washington, D.C.*

DEAR SENATOR MCGOVERN: In reply to your telegram received on July 25, we are submitting the following information concerning the school food service program in West Virginia:

1. The estimated average cost of producing a school lunch during FY '74 will be nearly 59 cents and the estimated average cost of producing a school breakfast will be nearly 23 cents. The average cost of producing a school lunch during FY '73 was approximately 48 cents and the average cost of a school breakfast was approximately 20 cents.

2. Most boards of education have requested permission to increase student prices for the school lunch by ten cents. They plan to request permission to increase the price of the school breakfast by 5 cents if food prices increase during August.

3. We anticipate a decrease in government-donated foods available for FY '74. This increase probably will increase the price of the lunch by 3 to 4 cents.

4. If reimbursement rates are not increased to meet the rising food and labor costs, it will be necessary for schools to increase the price of the school lunch by 15 or 20 cents rather than the 10 cents already requested. This would mean that many students who now pay the full cost of the meal would stop purchasing at school.

5. I would urge Congress to increase reimbursement rates to at least 10 cents under Section 4 funding and to 50 cents for free lunches under Section 2 funding. Funds must also be provided for nutrition education so that the increased student participation evidenced last year in West Virginia can be maintained.

We appreciate your interest in and support of the child nutrition programs.

Sincerely,

FAITH GRAVENMIER,
Director, School Food Services.

WISCONSIN

DEPARTMENT OF PUBLIC INSTRUCTION, MADISON, WISC.,

*July 30, 1973.*HON. GEORGE MCGOVERN,
Washington, D.C.

DEAR SENATOR MCGOVERN: Your concern for the future of the school food service program, in view of the escalating operational costs, is most timely and well founded. As you are aware, there has been a tremendous pressure these past three years to expand the food services into non-program schools in an effort to reach more needy children. Now the school district authorities are deeply worried about the availability of funding to keep up with the increasing program costs.

The following is provided in response to your five questions:

1. I estimate a state average cost of 63 cents for producing a Type A Lunch in the 1973-74 school year; the breakfast cost will average 26 cents. The 1972-73 state average was approximately 56 cents and 23 cents respectively.

2. There is no doubt that the charge to students will be increased. Many school districts have indicated at least five cents per lunch. Breakfast charges will also be increased by at least 10 percent.

3. I anticipate a significant decrease in the availability in donated foods and the extent of decrease will proportionately increase the cost of producing the meal.

4. The participation by "non-needy" children, I predict, will decrease dramatically. There is little doubt that the more generous eligibility guidelines (125% and 150% of the Secretary's annual income poverty level) will increase the number of participants getting free and reduced price meals. Thus the National School Lunch and School Breakfast Programs are taking on the appearance of welfare programs, rather than a nutrition—nutrition education program originally designed to maintain the health and welfare of all school children.

5. It is apparent that additional federal funding will have to be made available; no less than four cents more for each Type A Lunch and up to 45 cents for the lunches served free to needy children. Additionally, cash in lieu of commodities should be allocated to the states if the amount programed is not expended by February 1 of each year. Any new legislation should develop an escalation clause to offset rising meal production costs.

Thank you for the opportunity to provide this information. You are to be commended for your continued interest and effort to assist the states and local school districts in their uphill struggle to provide an adequate food service at an acceptable cost.

Sincerely,

EDWARD J. POST,
Administrator, School Food Service Programs.

51A

2300-B37857-8/73



Iowa
a place to grow

STATE OF IOWA • DEPARTMENT OF PUBLIC INSTRUCTION

GRIMES STATE OFFICE BUILDING • DES MOINES, IOWA 50319

ROBERT D. BENTON, Ed.D., STATE SUPERINTENDENT

David H. Bechtel, M. A., Administrative Assistant

RICHARD N. SMITH, Ph.D., DEPUTY SUPERINTENDENT

August 27, 1973

Senator George McGovern, Chairman
U. S. Senate Select Committee
on Nutrition and Human Needs
United States Senate
Washington, D. C. 20250

Dear Senator McGovern:

This refers to your telegram dated July 25, 1973, requesting certain information regarding child nutrition programs. At that time we wired stating we were collecting and verifying information and were mailing a copy of a letter written earlier to Congressman Carl Perkins.

We have now collected data and are furnishing answers to your telegram in the order in which the questions were asked.

1. The average total cost of preparing and serving a lunch during the 1971-72 school year was 65.08 cents including commodities. During the 1972-73 school year it was 68.77--up slightly less than 4 cents.

If we project an increase of 20 percent in food prices plus a projected 15 percent increase in labor costs for school year 1973-74, this raises the total cost of preparing and serving the lunch to at least 72.14 cents including commodities--up another 4 cents.

One must bear in mind that while food costs generally increased during the entire 1972-73 school year they rose more sharply during the last 3 1/2 or 4 months of the school year (February through May).

Therefore, if one considered the higher food costs for the months of February through May as having existed all school year, the average cost for the year would have been higher. Since 1973-74 is projected on 1972-73 figures, 1973-74 might well reach 75 cents if food prices continue to climb. There is a possibility, however, that skim milk or lowfat milk, now permissible under the new definition of milk, may be served by some schools which might reduce the total cost slightly.

The per breakfast cost for 71-72 was 31.7c; for 72-73 it was 34.15c--up about 2 1/2 cents.

51B

Again projecting an increase for 1973-74 of 20 percent in food costs and 15 percent in labor costs, this would result in a breakfast cost of 37.88 cents--up about 3.73 cents.

2. Yes, student lunch prices will be increased this coming school year. We had estimated that at the start of school about 80 to 85 percent of our public school districts would NOT increase lunch prices and that about 15 to 20 percent would. As school draws near, however, more and more school districts are raising their prices.

Of those districts that have raised lunch prices, all have raised only 5 cents except two that we know of. These two raised 10 cents subject to federal price control regulations. These two previously charged 30 cents.

Schools will be watching per meal costs very closely during the months of September and October.

3. The present outlook for commodities looks bleak. Just how the new farm program based on target prices will affect supply and demand as well as food prices remains to be seen. In any event, any decrease in government commodities will cause schools to purchase more food and thus increase their expenditures. It will also increase student lunch prices.

Further, since there is a time lapse at best of 3 1/2 to 4 months between the time the USDA first considers purchasing commodities and the time they are used by the school, this pretty well establishes the fact that there will be few new commodity deliveries used by schools until at least the start of the second semester in January.

It is true that September 4th we will mail advance reimbursement payments to eligible participating schools which will increase their cash on hand. But in view of purchasing conditions this fall, this advance payment will do little to reduce the total cost of preparing and serving the meal. At least fewer schools will have to borrow money for operating capital and pay interest.

4. If federal reimbursement rates are not increased, the price of student lunches will have to be further increased during midyear and certainly in greater increments.

Increases in student lunch prices causes the paying child to not participate. The same day participation decreases, overhead costs increase on a per meal basis. The program must have the paying child participating in order to maintain volume and keep the per meal cost as low as possible. Otherwise, the lunch program would serve only free and reduced price lunches at an extremely high per meal cost.

As you are aware, schools must serve free and reduced price lunches. Further, in Iowa, all public schools except 16 kindergarten-only schools must maintain a federal lunch program by state law. Therefore, this fall, 100% of our public schools will have lunch programs.

51C

5. I have read a copy of the letter written your committee by Jim Borough, State Director for Michigan, therefore instead of repeating the same recommendations will state that I concur with his recommendations. Also, I wish to state that there is consensus within our Midwest Region State Directors as well as with other State Directors who a short time ago sat in on a meeting of our Midwest Region State Directors.

I wish, however, to emphasize a few points.

a. Regarding State Administrative Expenses (SAE):

It is true that SAE funds are hopelessly inadequate in view of the workload. As an example, the time I am composing this letter is now 8:30 p.m. on Saturday, August 25, 1973, because it is not possible to keep up with the volume of work during office hours. I mention this as a fact--not to solicit sympathy. Also, this is typical with me, with other members of my staff, and with other State Directors. Nor am I the only State Director who works nights and on weekends.

● Senator McGovern, I strongly oppose any method under any plan that will take money away from food for children. Before the Congress votes on HR 9639 I will have furnished further details on this to our Iowa Congressmen.

I am against skimming or siphoning funds "off the top" for SAE, for nutritional education projects, for special training projects, or for any other reason anyone could offer. I do not agree with this principle when it denies food to children.

Nor am I swayed the least bit when told this is the way it is done in most other federal programs.

Congressmen are fully aware of the need for an adequate office staff for their own campaigns, and for their own personal office staff.

I disagree with the USDA on this, with the American School Food Service Association on this (even though I am a member of their legislative committee), and with the few State Directors who really want to see SAE skimmed off the top. If it happens, Pandora's box will be opened. Within a relatively short time 20 to 25 million will be siphoned off.

If state administrative expense funds are needed, which they are, then let's vote adequate funds as a budget line item and get on with it. I refuse to say to the Congress that 12 cents reimbursement is absolutely essential (and absolute) for schools to operate a lunch program and make ends meet financially and then turn around and skim off a percentage which means schools won't receive the 12 cents.

● Also, the present formula and method of distributing these present SAE funds by the USDA is, in my opinion, untenable. I have the feeling that the USDA themselves would like to get SAE straightened out. It infuriates me when I think there is a possibility that all States are not on an equal basis--that some have been given more--that some have been given less.

51D

We Midwest State Directors fought long and hard to get Section 4 NSL Reimbursement on a performance basis so that all states would be treated on an equal basis. We will do the same for SAE. We have been studying SAE carefully for the last two years. I ask the question: Why should it cost far more to administer child nutrition programs in one state than in another?

- b. I would stress the recommendation that the present 60 cent minimum for especially needy schools be realistically raised to 70 or 75 cents. This fall we are in a different ball game.
- c. Also, the recommendation that reimbursement for all lunches served economically needy children should be reimbursed at cost should be given much consideration. As Mr. Borough stated: "A needy child is a needy child, no matter where he happens to live." A needy child is just as hungry whether he is alone or in a multitude.

● We must not forsake the economically needy child. In all of education at present, our child nutrition programs are the only programs that give first priority and special emphasis to serving his basic needs.

In closing, permit me to say I was pleased when Congressman Perkins saw the urgent need for HR 9639 even though HR 4974 is a much needed bill.

I have every confidence and belief that the Congress will take expeditious action immediately after it reconvenes after Labor Day to provide for the needs of feeding the nation's hungry children.

Thank you for seeking the views of State Directors and for the efforts of you and your committee. I consider HR 9639 to be survival legislation.

Respectfully,

Vern Carpenter

Vern Carpenter, Chief
School Food Services Section

VC:n:m

51E

COLORADO DEPARTMENT OF EDUCATION

State Office Building, 201 E. Colfax
Denver, Colorado 80203
Telephone (303) 892-2212

~~Robert G. Kneass~~ Commissioner
Calvin Frazier

September 4, 1973

Senator George McGovern, Chairman
U.S. Senate Select Committee
in Nutrition and Human Needs
Washington, D.C. 20510

Dear Senator McGovern:

The following information was sent by telegram on July 25, 1973, at 2:00 pm in reply to your telegram of July 24, 1973.

1. Average lunch cost 84¢
Breakfast 31¢
33% higher
2. Yes 5¢ lunch
15¢ breakfast
3. Yes 6¢ per plate
4. Decrease
5. Universal School Lunch

The increase cost will be due in part to the increased cost of protein. This is particularly true on the secondary level where the protein requirement is much higher than elementary level.

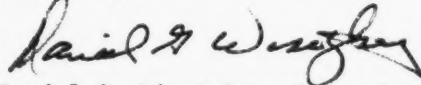
If reimbursement rates are not increased there will be a definite decrease in participation. Middle class Americans will be the ones who will share the burden of the increased cost to the child. An examination of the participation figures in the National School Lunch Program for the past few years will show that the number of paid meals have been decreasing as meal prices went up.

51F

In Colorado one third of the school districts have requested an increase in their meal prices. Others are holding the line hoping that additional aid will come from Congress.

Increasing meal prices however, will not help those districts that have a high percentage of free or reduced price meals. With the limitation on reimbursement that affects 90% of the meals served, increasing the price to the remainder would be an exercise in futility.

Sincerely,

A handwritten signature in dark ink, appearing to read "Daniel G. Wisotzkey". The signature is fluid and cursive, with a large, stylized initial 'D'.

Daniel G. Wisotzkey, Supervisor
School Food Services
Supporting Services
892-2223

DGW/mm

51G

Texas Education Agency



- STATE BOARD OF EDUCATION
- STATE COMMISSIONER OF EDUCATION
- STATE DEPARTMENT OF EDUCATION

201 East Eleventh Street
Austin, Texas
78701

September 5, 1973

Senator George McGovern, Chairman
U. S. Senate Select Committee on Nutrition and
Human Needs
United States Senate
Washington, D. C. 20510

Dear Senator McGovern:

I am writing in reply to your letter of August 30, 1973, in which you requested information regarding the operation of the various Child Nutrition Programs in Texas.

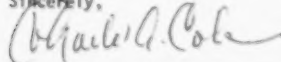
My response to each of your questions is as follows:

1. We estimate that the average cost of producing a Type A lunch for this school year to be 65¢; and the cost of producing a breakfast to be 35¢. Each estimate includes the cost of food, labor, and other. This is a 20 to 25 percent increase over last year's cost.
2. We estimate that the student's price per lunch will be increased 10¢ to 15¢, and 5¢ to 10¢ per breakfast.
3. We anticipate a decrease in the availability of donated commodity foods and expect that this will increase the cost of providing the lunch and breakfast appreciably.
4. If reimbursement rates are not increased to offset the increase of food and labor for the various school districts, we believe it will have a negative effect upon all Child Nutrition Programs and eventually could cause some districts to discontinue the Program. We anticipate that the increase in the price of lunches to students will cause a decrease in participation.
5. In answer to this question, I would like to make the following suggestions to improve the School Lunch and Child Nutrition Programs in light of the increased cost: (1) the reimbursement rate for free lunches should be increased to provide a minimum of 55¢ reimbursement (45¢ for free and 10¢ for paid lunches) (2) a sufficient amount of donated commodity foods should be available to schools to average at least a 10¢ value per lunch. The reimbursement rates for a free breakfast should be increased to 35¢ and a provision should be added so that labor could be paid from reimbursement. Paid breakfast reimbursement should be increased to 20¢.

51H

Senator McGovern, it is only reasonable for the Congress to increase the reimbursement for the various Child Nutrition Programs to an amount which would offset the increased food and labor costs. Unless this action is taken, the National School Lunch Program will be in serious trouble by the first of the year. We appreciate very much your continued interest in the Child Nutrition Program and if we may be of assistance in any other way, please do not hesitate to let us know.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles A. Cole".

Charles A. Cole, Program Director
School Lunch and Child Nutrition Programs

CAC:dcs

SUMMARY OF SCHOOL LUNCH TELEGRAM SURVEY

FORTY STATES REPORTING

1. Cost of producing a lunch (37 States)—
High: 80-85 cents.
Low: 50 cents.
Average: 61.7 cents.
Cost of producing a breakfast (33 States)—
High: 44-45 cents.
Low: 10 cents.
Average: 30.6 cents.
Increase in cost of producing lunch over last year (33 States)—
4 States: Less than 5 cents.
16 States: 5-9 cents.
12 States: 10-14 cents.
1 State: 20-24 cents.
Increase in cost of producing breakfast over last year (28 States)—
18 States: Less than 5 cents.
8 States: 5-9 cents.
1 State: 10-14 cents.
1 State: 20-24 cents.
2. Increase in price of lunch to students (38 States)—
1 State: No increase.
30 States: 5-10 cents.
1 State: Over 10 cents.
6 States: Unspecified increase.
Increase in price of breakfast to students (33 States)—
3 States: No increase.
1 State: Less than 5 cents.
21 States: 5-10 cents.
8 States: Unspecified increase.
3. Anticipate decrease in availability of commodities (40 States)—
All: Yes.
Will this affect costs appreciably (40 States)—
All: Yes.
4. Effects of not increasing reimbursement rates (35 States*)—
16 States: Increased price of meals.
8 States: Reduction in number of students who pay full price for meals.
2 States: Reduction in number of students who receive free and reduced-price meals.
1 State: Students will purchase food off school premises.
7 States: Will reduce quality of meals.

* Many States reported more than one effect.

- 2 States: Will reduce quantity of portions.
- 3 States: Will reduce variety in meals.
- 5 States: Financial burden on schools.
- 2 States: School will have to get more funds from State, municipalities.
- 12 States: Schools will begin to drop out of School Lunch Program.

Participation decrease (12 States)—

All: Yes.

5. Suggestions for maintaining and improving programs:

- Immediate legislation to increase reimbursements for meals with escalator clause to cover future increases.
- Reinstitution of Federal regulations concerning time and place of sale of competing food items.
- More commodities or cash in lieu of commodities.
- Continuation of Special Milk Program.
- Nutrition education programs to prevent children from buying nonnutritious junk foods.
- Nonfood assistance regulations and regulations concerning Section 2 funds should be changed to include schools of marginal need.
- Spend all funds appropriated for child nutrition programs.
- Provide funds to States for better administration of programs on State level.
- Provide funds to States for administrative expenses of commodities.
- Reimburse schools on basis other than the number of Type A lunches served, for instance, flat grant per child enrolled.
- Include labor costs in reimbursement under School Breakfast Program.
- Make meals available to all school children on the same basis as all other school programs.
- Better and more efficient administration of programs at local level.

PROJECTION OF IMPACT ON STUDENT PARTICIPATION

It is clear that food and labor costs have gone up substantially for every State school food services program, and in most cases that these costs will be passed along to the students. In addition, all the State directors recognize a lack of federally donated commodities as a substantial problem.

Each State director supports increased Federal reimbursement for the lunch, breakfast, and milk programs. If the reimbursement rates are not increased, many things may happen. Twelve States specifically mentioned the possibility of schools dropping out of the National School Lunch Program. Others talked about reduced quality, quantity, and variety of meals; and the added burden on State and local funds to meet the demand.

Increasing the meal price is one possible solution to increased costs, but should be done with caution because it inevitably decreases average daily participation rates.

Two studies gathered on behalf of the U.S. Department of Agriculture indicate a great dip in participation when prices are raised.

Pittsburgh study: Participation dropped 2.5 percent for every 1 cent increase in price which has now increased 133 percent (20 cents to 47 cents).

Montgomery County study: Elementary schools—participation dropped 1 percent for every 0.7-cent increase in price with a price increase of 43 percent (35 cents to 50 cents).

High schools: Participation dropped 1 percent for every 1.08 cent increase in price during the price increase of 57 percent (35 cents to 55 cents).

Roughly speaking, the results of these surveys indicate that for every 1 cent increase in meal costs—students desert by 1 percent.

Therefore, if each program in the country were to increase its meal cost an average 5 cents per lunch, 5 percent of the total participating paying students may drop out. This could be—based on participation figures from April 1973—5 percent of about 16 million students, or 800,000 students lost to the program. Paying an average of 35 cents per meal, this is a loss of revenue totaling \$280,000 per day. It should be noted that many States will increase their meal price more than 5 cents per meal, causing even greater loss of revenue.

**LETTERS FROM
CONCERNED CITIZENS AND GROUPS**

CONNECTICUT

SCHOOL FOOD SERVICE ASSN., NORWALK, CONN.

Senator GEORGE S. MCGOVERN,
Washington, D.C.

DEAR SENATOR MCGOVERN: As President of the Connecticut School Food Service Association, on behalf of all school lunch workers, representing almost 1,000 schools in the State of Connecticut, feeding better than 200,000 students, we urge you to vote for H.R. 9639.

The situation is most critical. Food and labor costs have skyrocketed. Without the additional financial help outlined in H.R. 9639, school systems will not be able to continue, let alone initiate new lunch programs.

As solutions to this crisis we suggest:

1. Legislation pending before Congress H.R. 9639 should receive prompt congressional action, which will provide some measure of financial relief to the programs.
2. U.S.D.A. should instruct food suppliers to give school food service programs first priority on all available supplies of scarce items at prevailing prices.
3. The proposed cut in the appropriation for the special milk programs should be restored.

Highlights of H.R. 9639 are enclosed. The passage of this bill is imperative and your support is most appreciated by every child, every parent, and every school lunch worker in Connecticut.

Very truly yours,

FRANK A. HARRIS,
President, C.S.F.S.A.

[Enclosure.]

RESUME OF H.R. 9639

A bill that would provide additional Federal financial assistance to the school lunch and school-breakfast program.

The bill, introduced by Congressman Carl Perkins, July 26th, 1973 would provide the following:

1. Section 4: Section 4 reimbursement rate would increase from 5¢ to 10¢.
2. Special Assistance (Section 11): (a) Special Assistance factor for free meals would not be less than 45¢; (b) Special Assistance factor for reduced price meals would not be less than 10¢ less than the special assistance factor for free meals; and (c) Especially needy schools will receive not less than 60¢ per lunch.

3. Breakfast: (a) All breakfast will receive 8¢ reimbursement; (b) All free breakfast will receive 8¢ plus 20¢; and (c) All reduced price breakfast will receive 8¢ plus 15¢.

4. Cash in lieu of commodities: By February the 15th the Secretary of Agriculture will estimate the value of commodities and other foods that will be delivered to schools during the fiscal year. The difference between this figure and the amount appropriated by Section 416, Section 32, and Section 709 will be distributed to state educational agencies by March 15 in cash.

GEORGIA

CENTRAL HIGH SCHOOL, THOMASVILLE, GA.,

August 15, 1973.

HON. GEORGE MCGOVERN,
Washington, D.C.

DEAR SIR: We are in a strained position for the coming school year in our school lunch program.

The price of food has reached such proportions that we will have difficulty operating. If you could do anything that would increase the re-imbursement rate it would be a great service to the school children of this nation.

Thank you for any assistance you can give to us in this matter.

Sincerely yours,

WALLACE CHILDS, *Principal*.

EASTVIEW ELEMENTARY SCHOOL, AMERICUS, GA.,

August 17, 1973.

Senator MCGOVERN,
Washington, D.C.

DEAR SIR: This letter is asking your support on H.R. 9639. As you know we, the school lunch managers, are facing a financial dilemma. We want to continue to give our boys and girls a balanced lunch each day in school.

With the high cost of food and labor we can't do this without your support. We are also interested in a breakfast program in our school.

Yours truly,

ELMA RUTHERFORD.

P.S.—Please help us get the S/P milk back.

NEW MEXICO

DEPARTMENT OF EDUCATION, SANTA FE, N. MEX.

August 9, 1973.

HON. GEORGE MCGOVERN,
Washington, D.C.

DEAR SENATOR MCGOVERN: I want to take this opportunity to point out to you the extremely critical nature of the School Food Services

Programs in the State of New Mexico as we look to the opening of school this Fall.

The current status of the price freeze and the supply of perishable and processed foods places schools in our State in a position of real financial disaster. Prices to children which have been increased in the last year in most of our schools from 35¢ to 40¢ will, in all likelihood, need to again be increased within the next few weeks in order to meet the spiraling costs of food. Many superintendents have contacted our office with an urgent plea for additional assistance in any way that we may be able to help them.

As you may know, Representative Carl Perkins of Kentucky has introduced a bill in the House of Representatives (HR 9639) calling for an immediate increase in federal reimbursement in Section 4 and Section 11. Under this Legislation, Section 4 would be increased from 8¢ to 10¢ and Section 11 from 40¢ to 45¢. This added reimbursement would help greatly in meeting the increased costs of operation.

The average cost per lunch to the school district in New Mexico as of July 1 was 55.1¢. As you can see, this cost will not be met entirely by an increased reimbursement; however, the difference between the reimbursement and the cost which we anticipate at the beginning of this year will be met through expenditures from school operating funds. During the past year, diligent efforts have been taken by school districts to curtail all possible costs of operation, including improved management for efficiency menu planning and better purchasing methods.

Many schools anticipate increased participation this year due to the higher costs of family food buying and the restriction of available nutritious foods. I hope that school districts will not be forced into a decision as to whether or not they can continue School Food Service Programs in light of the increasing strains upon existing resources.

Your efforts and interest in prior nutritious programs in the past have been exemplary. We look forward to continued support from you in order that these vital programs will not be sacrificed at this time of economic uncertainty and pressure. Thank you very much for your interest and concern. We will be eager to provide any information you may need in order to support this urgent measure.

Very sincerely yours,

GRETCHEN Y. PLAGGE,
Director, School Food Services.

SANTA FE, N. MEX.,
August 29, 1973.

DEAR SENATOR MCGOVERN: I'm writing to urge you to vote in favor of H.R. 9639—the bill that will provide additional Federal financial aid to the School Lunch and Breakfast Programs.

I'm employed as manager of the School Lunch Program at St. Catherine's Indian School. Eighty percent of our children come from real low income families; and the other 20 percent—well, maybe, average or perhaps less than average.

Hope you will help pass this bill.

I thank you and God bless you.

Sincerely yours,

MANUEL I. VALENCIA.

OHIO

OFFICE OF FOOD SERVICES, AKRON, OHIO.
August 17, 1973.

Hon. GEORGE S. McGOVERN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR McGOVERN: This fall has proved to be very frustrating in trying to prepare for the beginning of school in September to still provide a high-quality, nutritious lunch for our 16,000 elementary students being served under the National School Lunch Program. I would like very much to ask for your support of HR-9639 Amendment to the National School Lunch Act and Child Nutrition Act which will increase levels of federal assistance to schools and school breakfast programs and will make commodity legislation of March, 1973, permanent.

As I understand this bill, it will:

1. Increase Section 4 from 8 to 10 cents.
2. Increase Section 11 from 40 to 45 cents.
3. Increase breakfast from 5 to 8 cents.
4. Increase free breakfast from 20 to 28 cents.
5. Establish permanent legislation for cash payments to support commodity short falls.

Even though we have had to raise our prices to our paying customers by five cents, there is a tremendous void, since over half our lunches are served free. This is where we will really be hurt if this legislation is not passed. Many items have had drastic increases, as I am sure you are aware; but an example would be a sausage pattie, two ounce cooked, that last year we paid 10 cents for. This year it is 16 cents.

Our pre-cooked beef crumbles, which last year we bought at 54 cents a lb., this year are 76 cents a lb.; but no one knows what it will be after the beef price freeze goes off September 13. It is forecast at least a 20 percent increase.

Last year our Board of Education supported our Food Service program in excess of one hundred sixty three thousand dollars; and if we get no additional help this year in forms of this legislation, I shudder to think what our losses will be. If they are too great, I am afraid there might be a discontinuation of the School Lunch Program in Akron. I hope this will not be the case, but we do have to realize it is a real possibility.

Thank you for listening to me.

Sincerely yours,

WILLIAM W. PRICHARD,
Coordinator, School Food Services.

TENNESSEE

4617 LEATHERWOOD, MEMPHIS, TENN.

August 15, 1973.

DEAR SENATOR MCGOVERN: I urge your support of Rep. Carl Perkins' food relief bill, H.R. 9639, which he introduced July 26, 1973, and its companion bill in the Senate.

We have put in thousands of volunteer hours in Memphis to help the school system implement a Type A School Lunch Program for needy children. The need is crucial as evidenced by the fact that last May 76 percent of the Type A lunches were for children who met USDA poverty guidelines.

It will cost 53 to 55 cents to produce this meal during the coming year, and the present reimbursement rate is only 48 cents.

We understand commodity donations will be reduced also.

I think it is vital that our economic mistakes not be visited on children of the poor—whose nutritional needs already are in jeopardy at home because of prohibitive costs.

Please put H.R. 9639 at the top of your list of bills to support in the next session. It is the only hope of many School Lunch Programs, including Memphis.

Sincerely,

Mrs. HAROLD E. CRAWFORD.

VIRGINIA

2802 CANTON AVE., CHESAPEAKE, VA.

August 29, 1973.

DEAR SENATOR MCGOVERN: I am asking your support for H.R. 9639. Namely to increase funds for free and reduced-price school lunches, nonfood assistance and special milk appropriations.

We need to feed our children nutritionally balanced meals at school and need this bill to keep making it possible.

I will thank you in advance for your cooperation in this most important legislative matter.

Sincerely,

IRENE CLARKE, *Cafeteria Manager.*

NATIONAL CONGRESS OF PARENTS AND TEACHERS,

Chicago, Ill., August 21, 1973.

HON. GEORGE MCGOVERN,
U.S. Senate Select Committee on Nutrition and Human Needs,
Washington, D.C.

DEAR SENATOR MCGOVERN: In behalf of the National PTA. I am writing to you as chairman of the Senate Select Committee on Nutrition and Human Needs to seek your help.

The National PTA is deeply concerned about the chaotic and unfortunate condition in which school districts find themselves as schools open for the new year. The action of the House in cutting the special milk fund to \$25 million, and limiting the milk program to schools with no lunch programs, and the failure to resolve in conference the differences between the amounts appropriated by the House and Senate for the special milk fund, have caused school districts to raise the price of a half-pint of milk from 3 cents to 8 cents and even 10 cents. Compounding the problems for the schools are the rising costs of food and labor, food shortages, a reduction in the amount of government donated foods, and the refusal of the U.S. Department of Agriculture to increase funding for the school lunch program.

What all this means is higher prices for milk and school lunches, as well as the very real possibility of a deterioration in the quality of the nutritionally balanced meals now provided. Families hit hardest will be the middle class and the working poor who are barely making it because of runaway inflation.

As you know, PTA has a deep and abiding concern for the health of our children and youth. For many years we have supported the special milk program and higher subsidies for free lunches and reduced price lunches. We would hope that children and youth are not the innocent victims of inflation at home and at school. However, unless the House accepts the amount of \$97.123 million appropriated by the Senate for the special milk fund, and the Congress and Agriculture Department increase their support for the school lunch and breakfast programs, school districts will have no alternative but to continue to increase prices, and even more families will no longer be able to afford to have their children buy a nutritionally balanced school lunch, or even milk.

The National PTA has asked to testify before the hearings being set up by the Senate Select Committee on Nutrition and Human Needs, and we hope that we will be invited to do so. Nevertheless, because of the urgency to find a solution to the immediate problems described above, we have written today to urge you to do whatever you can.

Sincerely,

GRACE C. BAISINGER,
Chairman, Coordinator of Legislative Activity.



EMERGENCY DECLARATION

of the
American School Food Service Association
on
FOOD SERVED IN CHILD NUTRITION PROGRAMS

When the school bell rings in September, thousands of schools may be faced with no food for school children or limited food for preparing meals unless immediate aid is mobilized.

This food crisis threatens the nutrition and health of the nation's children. American School Food Service Association members, meeting in New Orleans for the 27th Annual Convention, expressed concern about the school child's need for food during the school day.

Several factors are responsible for this crisis that has reached critical proportions:

1. Schools are unable to obtain supplies of foods, especially protein foods, with which to prepare lunches when schools open this fall. Food companies are refusing to accept orders to supply foods, regardless of price.
2. Government-donated foods, long a mainstay of the school lunch program, are expected to be close to \$200 million short of the amount presently budgeted for school meals. Little or no pork or beef will be donated by USDA to schools in the months ahead. And basic foods such as cheese and dry milk are either scarce or not available as commodities.
3. The U.S. Department of Agriculture in a hearing on July 11, 1973, before the House Education and Labor Committee refused to support any increase in federal funding for the school lunch program this year in spite of sharply increasing costs of food and labor. USDA's refusal applied to those funds that had been requested in proposed legislation. This legislation called for an increase in the general support of the school lunch programs and also **funds to finance** increased costs of supplying free meals to needy children.
4. Prices of such foods as meats, poultry and milk have skyrocketed in recent months. The food costs alone in the noon meal, which meets a third of the child's daily nutritional

requirements, is at least 10 cents more this year than last. Labor costs are 12 percent higher than last year.

5. USDA as of June 30, 1973, cancelled the Special Milk Program except in schools that do not have food service. This means that children bringing lunches from home will pay at least four cents more for a half-pint of milk this fall. In addition, free milk for needy children is discontinued in all program schools.
6. Under Phase IV of the price stabilization program schools will be unable to increase total lunch prices. However, if they increase the cost of hamburger by five cents (because that was the increase in the wholesale price to them) they will be able to charge an extra five cents that day. This means that prices could be changed day to day.

There are solutions to this crisis:

1. Legislation pending before Congress, HR 9639, should receive prompt Congressional action which will provide some measure of financial relief to the program.
2. USDA should instruct food suppliers to give school food service programs, as well as hospitals and similar vulnerable groups, first priority on available supplies of scarce items at prevailing prices.
3. The proposed cut in the appropriation for the Special Milk Program should be restored.

Finally, in this period of reduced and higher priced food supplies, low and middle income families will have great difficulty in providing nutritionally adequate meals at home. To counter this situation, schools must be provided with the resources needed to continue making reasonably priced meals available to children. Congress and the Administration can afford to do no less in this emergency than provide the help needed to continue the nutritious school meals for children.

APPENDIX

NEWSPAPER ARTICLES

[Fort Lauderdale News and Sun-Sentinel, Saturday, July 7, 1973]

SCHOOL LUNCH COST SOARS IN BROWARD

By Stuart Zipper

It will cost officials at least \$1 million more to feed Broward's 125,000 school children than it did last year, according to Lee Searing, director of food services.

The only item which will be increased in Palm Beach school lunches will be milk servings, because of the rise in prices and the elimination of the federal milk subsidy.

The nickel container of milk in Broward's schools appears headed the way of the nickel cup of coffee, the nickel cigar and the nickel beer.

It will cost at least \$1 million more to feed Broward's 125,000 schoolchildren than it did last year, according to Lee Searing, director of food services.

Last year's budget was \$8 million for the food program. This year it will probably go over \$9 million as a result of increased prices for everything from a container of milk to salaries.

Bids opened by the school system for milk, frozen foods and groceries Thursday brought the bad news, Searing said, with substantial increases in all categories.

The biggest area, meat purchases, is still an unknown cost factor with those bids set to be opened 2 p.m. Monday.

Last year the county paid 7.38 cents for a pint of milk which, with Federal aid, made it possible to hold the line on the nickel price, Searing said.

But the new bids were almost 2 cents higher, and the Federal aid has been withdrawn.

"With the handling charge and the straw and the napkin, we won't do well at 10 cents," he was uncertain just how much would have to be paid for the milk.

The county school system served 18 million pints of milk to the 125,000 students here last year, Searing added.

School lunch prices in Palm Beach County are not expected to increase in the foreseeable future, Jane Lansing, school food services director, said last night.

The only item which will be increased, she said, will be individual milk servings because of a healthy increase in the bid price and the fact that "we don't get a subsidy on milk any more."

Because of the volume of business the school system does with local suppliers—"we're their biggest customer"—she anticipates "no problems" with increased food prices.

"We met with all the suppliers just recently," she said, "and they have assured us that they will be able to fill our orders at a price where we won't have to raise lunch prices."

Unlike some counties, she noted, Palm Beach County schools do not let long-term contracts for fresh meats, but "just like the restaurants do," the school system shops for meats on a daily or weekly basis from local suppliers.

Each time the system orders meats, she said, at least three suppliers are contacted and the purchase is made on the lowest bid.

Frozen meats and items such as fish sticks, however, are let on 90 day contracts, Mrs. Lansing added, "but it doesn't look like these prices will affect our over-all program."

The frozen food costs will also soar in Broward, with bids up more than \$80,000 over last year's \$250,000.

Assorted groceries were up \$132,000 over last year's \$1 million price tag.

And just to meet the payroll, Searing said, will cost an additional \$262,000 as a result of salary raises granted last month by the school board.

But although the school board granted the raises, it does not pay for the school lunch program.

The money to run the program comes from the nickels children pay for their milk and the money they pay for their lunches.

Last year's lunch prices were 40 cents in the elementary schools and 50 cents in secondary schools. Those prices, which include a pint of milk, will also probably have to be increased, Searing added.

"We didn't anticipate this increase in cost," Searing added, painting a glum picture with few bright spots.

The bright spots are free food the county will still get, mainly salad oil and flour cajoled out of reluctant federal officials in charge of the nation's stockpiles.

[Jacksonville Journal, Thursday, July 12, 1973]

SOARING COSTS HIT SCHOOL LUNCHES

(By Bill Humphrey)

Soaring food prices will add at least \$642,000 to the price tag of Duval County's cafeteria operations in the 1973-74 school year, and may result in higher lunch prices for pupils.

Mrs. Ruth Hose, director of food services, is asking the Duval School Board to approve a five-cent increase in meal rates.

Although he approved Mrs. Hose's recommendations, School Supt. Dr. Cecil D. Hardesty penned in an observation that five cents might not be enough.

"We are too timid—this will not balance the cafeteria budget. How about 10 cents?" Hardesty's comment read.

Mrs. Hose concurred that the 10-cent figure "was much more realistic of need."

She said a labor cost increase for the year is expected to be about \$263,000 and food costs are expected to go up at least \$371,000.

The new prices for breakfasts would be 45 cents for adults and 25 cents for students; reduced price meals would remain 10 cents.

New prices for lunch would be 40 cents in elementary schools and 60 cents for adults. Reduced-price meals would remain 20 cents.

Mrs. Hose said the cost of preparing a lunch is 58.9 cents.

The monthly bids for meat are on the agenda for Monday and Mrs. Hose pointed out that prices have increased tremendously.

She said no bids were received for some essential items, pointing out that only one vendor bid on ground beef—but included so many stipulations that even that bid was rejected. Special bidding will be sought on these items.

Bids on staple items—canned and frozen foods—show a 10 per cent increase and produce vendors have told Mrs. Hose that some items—potatoes and radishes particularly—just are not available.

In the staples area, bids were solicited from 80 firms and only nine offered bids. In the meat bidding, 21 firms were contacted with only five offering bids.

Bids on the milkshake mix and machinery were sought from seven firms. Only one bid and it showed a 5.3 per cent increase over last spring's cost.

Mrs. Hose said chicken was purchased last year at a cost of 10 or 11 cents per serving. Bids this year would require 26 cents a serving. "That prices us out of the chicken business," she said. "We just can't meet that cost."

"Based on last year's school lunch participation when 6,483,000 paid lunches were served, a 5-cent increase in the meal cost will yield additional revenue of \$324,150."

"This does not cover the estimated additional costs, but pending federal legislation could boost revenue by two cents per lunch, if approved," she said.

The cost of meals in the school system has remained the same for six years, according to Mrs. Hose, who said the increased costs have been met by addi-

tional state and federal reimbursement, use of disposable materials and better utilization of manpower.

Mrs. Hose said dessert also will be eliminated from the Type A meal in secondary schools although it still will be offered a la carte.

Mrs. Hose noted that, even with additional federal aid, "unless we experience a decline in prices for commodities we may be required to consider a further increase in the meal price or provide a supplement to the program from the operating budget."

[Courier-Journal (Kentucky), July 17, 1973]

FOOD FOR SCHOOL LUNCHES TO COST MORE IN FAYETTE

(By Dave Holt)

Lexington, Ky.—The Fayette County Board of Education will be paying more—much more—to feed public school students next year.

At last night's board meeting, the board accepted low bids on staple food products for next September, and also awarded annual contracts for dairy products and bread and bakery products for the 1973-74 school year.

According to a staff spokesman, the 10 most used staple items will cost 8 per cent more this September than they did in September 1972. The staple products are awarded to the low bidders on a month-to-month basis.

The two most-used dairy products—half pints of sweet milk and chocolate milk—will cost about 14.5 percent more than last year, the spokesman said. The school board will be paying 6.79 cents per half pint of sweet milk and 7.15 cents per half pint of chocolate milk next school year.

The five most-used bread and bakery products—white bread, whole wheat bread, two sizes of hamburger buns and hot-dog buns—will cost the school board about 30 percent more than last year, according to the spokesman.

The school board got a bit of good news to soften the financial impact of the rising food prices. It learned that for the second straight year, Fayette County Sheriff Maurice Jackson will be able to reduce the fee for collection of school taxes. For 1973, the fee can be reduced from 1.1 percent to 1 percent of the gross receipts, Jackson notified the board. It is expected to mean a savings of about \$10,000 to the school system.

In other business last night, the board voted to increase from \$8 to \$12 the amount that secondary-school students are required to deposit before they can be issued textbooks.

At the end of the school year, or when a pupil leaves the school system, a full refund of the \$12 deposit will be made if the textbooks issued are returned undamaged except for normal wear from usage.

In case of damage to a book, the pupil will be refunded the amount of the deposit remaining after the amount of damage is deducted.

The third phase of the school system's free-textbook program becomes effective at the beginning of the 1973-74 school year. This means that all pupils in grades 9 through 12 will be furnished textbooks in all courses of mathematics, science, health, driver education, English, foreign languages and social studies.

In the first phase of the program, begun two school years ago, the deposit was \$4. Last year, during the second phase, it was \$8.

[Jacksonville Journal, Tuesday, July 17, 1973]

TEN-CENT HIKE FOR SCHOOL LUNCHES OKAYED

(By John Farley)

Inflation has claimed another victim and the school children of Duval County are the ones who have to pay the funeral expenses.

The School Board last night voted to increase by 10 cents the price of all but reduced-price school breakfasts and lunches.

Adult breakfasts will jump from 40 to 50 cents and student breakfasts will increase from 20 to 30 cents, a whopping 50 per cent rise.

Lunches in elementary schools will increase from 35 to 45 cents and in secondary schools from 40 to 50 cents. Adult lunches will jump from 50 to 60 cents.

The original recommendation to the board called for 5-cent increases in school meals.

Orville Calhoun, associate superintendent for business affairs, told the board that a 5-cent increase would not be enough.

"Take the milk bids for instance," Calhoun said. "We have to pay \$200,000 more this year for milk and we just can't afford that on a 5 cent increase."

New School Supt. Dr. John T. Gunning said he is in favor of a 10-cent increase due to economic necessity. The board members agreed, approving the proposal unanimously.

In other board business, elections were held for new board officers. William E. Carter was re-elected board chairman, but the board deadlocked on a choice for vice chairman.

Present Vice Chairman Mrs. Gene Miller received three votes as did Wendell Holmes. The board decided to defer action on that election until the absent member, William Mathias Jr., is present for a vote.

The board officially greeted Gunning at his first board meeting since becoming the new school superintendent. Gunning took over the post Sunday from Dr. Cecil D. Hardesty.

The board approved a special request by Gunning to extend the contracts of four school officials through June 30, 1973. The action superceded an earlier vote which extended the contracts only six months.

Those receiving new contracts were Dr. Donald Johnson, associate superintendent of curriculum; Donald C. Bulat, associate superintendent for facilities; Herb Sang, associate superintendent for personnel and Dean Blankenship, administrative assistant to the superintendent.

The board approved a proposal calling on the state Department of Education survey team to cancel a countywide survey of elementary and secondary schools and replace it with a survey of senior high vocational education facilities.

[Louisville Times, July 18, 1973]

LUNCH PRICES MAY INCREASE IN COUNTY SCHOOLS

(By Joe Gagliardi)

County school pupils will pay 5 cents more for school lunches this fall if a recommendation to that effect is approved by the Jefferson County Board of Education.

Officials for the city school system forecast no price increases in its lunch program.

Donald C. Schumacher, director of food services for the county system, said he has recommended a price increase for school lunches because "I don't know how we can get around it."

Commenting on a report that rising food prices may cause a statewide increase in the cost of public school lunches, Schumacher said his estimates indicate the county system will spend \$591,000 more on the school lunch program this year because of rising costs of food and labor.

The city school system's food service director, William Norvell, said he couldn't see how a price increase would generate much additional revenue for the school lunch program, because many city school students already receive subsidized lunches.

Norvell said he has no plans to recommend a price increase to the city Board of Education.

Mentioning the large percentage of the city schoolchildren who receive federally subsidized lunches, Norvell said, "What we feel we really need is an increase in reimbursement from the government."

"Each year," Norvell explained, "the U.S. Department of Agriculture has liberalized the income levels necessary for children to qualify for free or reduced-price lunches."

Regular prices for school lunches in the city and county systems are 35 cents for elementary school pupils and 40 cents for students in high school.

A spokesman for the Catholic School Office, Sister Ann Bell, said each Catholic school determines the cost of its school lunch.

"But I feel sure that because of the rising cost of food, lunch prices will increase," she said.

[Portales (N. Mex.) News-Tribune, Aug. 2, 1973]

NEW MEXICO SCHOOL LUNCH PROGRAM HEADING FOR CRISIS

(By Fred Buckles)

SANTA FE.—The New Mexico school meal program is headed for a crisis and the 1974 Legislature may be asked to vote up to \$2.1 million in emergency bailout money.

The reasons for the critical problem: Burgeoning food costs, the possible federal hourly minimum wage hike from \$1.80 to \$2.20 and delays in obtaining deliveries to schools by contract suppliers.

The 1974 Legislature may be asked to approve a school meal subsidy of 5 cents a meal in January. This would cost \$1.5 million in state funds for the balance of the fiscal year ending next June 30.

The state emergency appropriation would be \$2.1 million if lawmakers agreed to a subsidy of 7 cents per school meal.

The average charge statewide last fiscal year for school lunches was 35 to 40 cents. Some school districts may hike the cost to 40 or 45 cents in the 1973-74 academic year.

The big Las Cruces School District with 15,607 enrollment is among them. Other problem areas are Albuquerque, Gallup, Cuba, Sandoval County, and Dexter, Chaves County.

The U.S. Department of Agriculture pays 8 cents of the cost of all school meals. The USDA pays a maximum of 40 cents of the expense of meals given without charge to children of low income families.

The Federal agency provides a ceiling of 20 cents a meal for children of low income families whose need is rated less than the 40-cent group.

But actual cost of the school lunch was 55 cents statewide last fiscal year. The expense is climbing and local school superintendents are seeking methods of solving the sticky problem.

Deputy State Schools Supt. Weidon Perrin explains: "A major problem is that a large per cent of children qualify for free lunches. With the increase in food prices some school districts will be hard put to meet their budgets."

For example, 80 per cent of Dexter's 610 school children qualify for free or reduced price lunches. So only about 120 children pay the full regular price for lunches.

This exerts a heavy burden on the school district to provide lunches and stay within its budget. Perrin said the 88 school districts usually keep a one-month balance on hand to operate their cafeterias.

But Perrin said Gallup Supt. A. C. Woodburn reported the big McKinley County district will start the 1973-74 school year with no cafeteria operation balance.

Perrin said: "Woodburn said he does not know what he is going to do beyond October."

Perrin said the problem will be compounded if President Richard M. Nixon signs into law a bill raising the federal hourly minimum wage from \$1.80 to \$2.20.

School cafeterias employ 2,400 persons in New Mexico. Most work six hours daily. Pay ranges upward from the current basic \$1.80 an hour. If the \$2.20 level is effected, public school budgets throughout the state will be thrown out of balance.

The State Education Department and schools may turn to the 1974 Legislature for help.

Enrollment totals 12,410 in the Gallup district, Albuquerque Public Schools account for 81,500, nearly one-third of New Mexico school children.

The Cuba district, with heavy Indian children enrollment, counts 1,113 youngsters. Perrin says local school superintendents report food contract suppliers usually deliver orders before Aug. 1. But some suppliers report deliveries cannot be made before late August.

Most New Mexico schools will open the academic year in late August. Some school districts said they received fewer bids to supply food for cafeterias on contracts for 1973-74.

Perrin adds: "A lot of the problem stems from the fact it is difficult to get delivery in remote areas."

Only nine public and 23 private schools do not offer lunch programs in New Mexico among 646 public and 84 non-public schools. Seven Los Alamos elemen-

tary schools and an elementary and junior high school at White Sands Missile Range do not operate cafeterias among public schools.

Breakfast is offered at 129 schools—115 public and 14 private. Perrin said some local school superintendents report "they expect some real problems in food service in 1973-74."

He said 30 million meals were served to New Mexico public school children last fiscal year. Perrin emphasized: "School food service is a non-profit venture."

Indian school children receive school meals on the same basis as other children under special funding in the Johnson-O'Mally program.

Frank DiLuzio was named Gov. Bruce King's administrative assistant months ago but Frank is still not on the governor's payroll. DiLuzio's \$24,960-a-year salary is paid via the State Planning Office.

With salaries of Gov. King at \$26,000 and DiLuzio included, the governor's office annual payroll has climbed to \$166,260 a year. DiLuzio and 13 other employees are on the governor's staff.

No less than 65 square yards of concrete walk on the west side of the capitol building is deteriorating. An invitation for repair bids produced only one offer of \$38,800, far more than funds available.

[Homestead (Fla.) News Leader, Aug. 9, 1973]

SCHOOL BOARD OKAYS NICKEL INCREASE FOR HOT LUNCHES

(By Sharon Van Smith)

Dade School Board members okayed a five cent boost in hot school lunch prices Wednesday, after being warned further hikes may be proposed later in the year.

Fred Kline, associate superintendent for business services, told the board some food prices are expected to increase by as much as 30 percent before the end of the school year.

Meat wholesalers have refused to bid on the standard six month basis, according to Kline, who said 60 days is the maximum time period for which wholesalers will bid.

He said the five cent hike approved yesterday was necessitated primarily by a 40 cent an hour pay boost given cafeteria employees.

The increase raises hot lunch prices in elementaries from 40 to 45 cents and in junior and senior highs from 50 to 55 cents.

Also the board approved the appointment of Richard DeVeaux, presently assistant principal at Douglas Elementary, to principal of Richmond Elementary.

He will replace Mrs. Laura Saunders, who has been reassigned to the principalship at A. L. Lewis Elementary.

A report from Frank Howard, school board attorney, was presented on the status of litigation in the case of David Paschal vs. the School Board.

Paschal was the band director at Palmetto High School when he was suspended in April 1971 and subsequently charged with incompetency, misconduct in office, willful neglect of duty and gross insubordination.

After lengthy hearings, the board hearing examiner recommended Paschal be reinstated with full back pay.

The board, however, in December 1971, ordered that Paschal be returned to annual contract status for the next two years, that he receive back pay and that he be reassigned to a junior high school as a band director.

Paschal appealed the order of the board to the state Department of Education which appointed its own hearing examiner. Legal briefs were filed and oral arguments were presented in Tallahassee this past April.

The state department hearing examiner has recommended that the School Board order be upheld.

The case is now scheduled for submission to the state cabinet, sitting as the state Board of Education, for a decision.

[Salem (Oreg.) Statesman, Aug. 15, 1973]

SCIO HIRES STAFF, UPS LUNCH PRICE

(Statesman News Service)

SCIO—Scio School Board raised school lunch prices, hired new teachers and athletic coaches and awarded a fuel oil contract in action this week.

The Board Monday night approved a 10 cent increase in all school lunch prices and a seven cent increase in the cost of a half pint of milk. Milk will cost 10 cents a half pint; lunch for grade school students will cost 35 cents; for high school students, 50 cents; and adults, 60 cents.

The milk price rise is due to loss of the federal milk subsidy. Supt. Richard Wold also noted that there is no guarantee that rising food prices will not force further increases in the lunch price during the year.

New teachers hired by the board for the high school include Orville Heesch, vocational agriculture; James Housen, English and head track coach; Dennis Ankeny, business education, assistant football coach and freshman basketball coach; Hoyt Simonson, forest products.

The board also promoted Gary Curran from freshman basketball coach to head basketball coach. The board took under advisement a request from high school principal Tommy Leonard that the salary for the head basketball coach be raised to the level of the football coach.

Valley Oil Co. of Salem was awarded a contract at \$5.48 a barrel to supply 44,100 gallons of fuel oil during the coming school year.

It was reported that the district's Title I funds for remedial reading program have been cut from last year's \$10,000 to \$8,500 this year. This will result in a reduction in the number of students involved from 60 to 24.

The board discussed meeting twice a month in the future because once-a-month meetings are running too long. No decision was made.

A special meeting to evaluate results of the Aug. 23 school budget election was set for 8 p.m. Aug. 27.

The board decided to continue a requirement that district employees handling food must take tuberculin skin tests. Those with a positive reaction must cease handling food until they are cleared.

Preregistration will be required for all Centennial School students this year, according to Wold, rather than just first graders. This will be held Monday through Friday next week.

[St. Louis Globe-Democrat, Aug. 16, 1973]

TWENTY-FIVE CENT SCHOOL LUNCH FOLLOWS FREE LUNCH INTO OBLIVION

(By Ellen Sherberg)

The days of packing your child off to school with a quarter for lunch have gone the way of cheap beef prices and the nickel cigar as inflation hits the school kitchens.

For example, according to the State Department of Education, many schools were paying 59 cents a pound for ground beef at the beginning of the last school year. By the time the year ended, the price had risen to 91 cents a pound, and no one is willing to speculate what the price will be when the freeze is lifted in September.

The result of skyrocketing prices in most area school districts is that the price of lunch is going up.

In St. Louis public schools, lunch increases are being considered, a spokeswoman said, but the price must be set by the board of education which does not meet again until September.

Currently, a hot lunch costs 35 cents on the elementary level and 45 cents for high school students. However, she pointed out, more than 90 percent of

the district's 100,000 students obtain free lunches under government-subsidized programs.

Because the overwhelming majority of students do not pay for their lunches, raising the prices will not solve financial problems created by rising food costs, according to David R. Page, director of food services.

Page said he is trying to get the state education department to declare schools where a high percentage of students receive free lunches "needy schools," which means the district would receive a higher subsidy for students' lunches.

Many St. Louis County schools are raising prices, too—usually by a nickel or a dime. At Ferguson-Florissant, for example, elementary lunches will increase from 35 cents to 45 cents and high school lunches are up a dime to 50 cents.

And Mehlville will be raising prices. Elementary school lunches will be up a nickel from 35 to 40 cents; junior high lunches from 40 to 45 cents; and senior high meals from 45 to 50 cents.

Some districts, such as Parkway, are holding the line for now but anticipate they will raise prices when the beef freeze ends.

The trend toward rising prices began last year when, according to State Department of Education figures, the number of schools charging 45 cents per lunch doubled.

"In the past, we have tried to cooperate with the U.S. Department of Agriculture in holding the maximum price that is charged per lunch in a school participating in the National School Lunch Program to 45 cents," said Earl Lankop, director of School Fund Services for the State Department of Education.

In view of present economic conditions, continued inflationary trends, reported food shortages, higher labor costs and our experience during the past school year," he said, "the State Department of Education will not attempt to establish a ceiling price to be charged during the 1973-74 school year.

"It will be our policy to leave to local school officials the determination of charges needed to cover the cost of operation over and above the amount of federal and state food assistance funds available."

The schools will, however, be required to operate their food service programs on a nonprofit basis.

[Hazleton (Pa.) Standard-Speaker, Aug. 17, 1973]

SCHOOL BOARD HIRES FOURTEEN TEACHERS HIKES CAFETERIA LUNCH COST 5 CENTS

(By Chuck Gloman)

The Hazleton Area School Board yesterday hired 14 teachers, boosted the cost of cafeteria lunches by five cents, and purchased equipment to expand its hot-lunch program to more schools.

Hired at starting salaries of \$7,000 were Peggy L. Gulas, 348 S. Poplar St., and Arthur W. Connelly, 402 S. Kennedy Drive, McAdoo, both as mathematics instructors; Robert J. Gordish, 72 Market St., Trescow, social studies; Elaine J. Rusetski, 625 N. Broad St., West Hazleton, Spanish; and John J. Turri, 406 Washington St., Freeland, science.

Also hired at \$7,000 were Charles O. Burkhardt, 221 E. Juniper St.; Barbara A. Bachman, 939 W. Third St., and Mark S. Molino, 120 Berner Ave., all as art teachers; and Judith A. Orman, 1008 Carson St., German.

Hired at starting salaries of \$7,700 were Joseph M. Seitzney, 775 N. Laurel St., biology; Joseph D. Rosato, 638 Hayes St., music; and Ronald Heath, Slippery Rock, physically handicapped.

In addition, James Scatton, 790 Carson St., was hired as a sheet metal shop instructor at \$9,300; and Evelyn M. Boland, Howard Avenue, Conyngham, mathematics instructor.

The board also hired Mary E. McFadden, Nesquehoning, as a dental hygienist at \$6,700; and transferred Margaret M. Tarone, 739 Vine St., from elementary music teacher to guidance counselor at a salary to be determined by the district's salary schedule.

Warren Zehner, vice president of the board, made an unsuccessful effort to require the district's Teacher-Pupil Committee to submit to board members at least 24 hours before each meeting a list of recommended teacher hirings.

He recommended that such a list include a grading or rating for each teacher by administrators.

In a roll-call vote, Zehner was the only director in favor of the move.

President James Capparell explained his negative vote by noting that the board receives an approved list of recommended teachers from administrators. "I'm against having administrators grade them," he said. "Grades don't make the best teachers."

Director Fred Barletta said he agreed with Zehner's idea to furnish a list, but said the addition of ratings for each name would place "too much pressure on administrators."

The price of school cafeteria lunches was increased 5 cents. New prices are: 40 cents for elementary students, 45 cents for secondary students, and 55 cents for adults.

In other business, the board yesterday awarded contracts for \$7,472 in cafeteria equipment to expand its current hot-lunch program to at least three additional elementary schools. Meals are prepared in a central kitchen and transported to various buildings.

Currently, about half of the elementary schools in the district receive hot lunches.

Acting on a recommendation from Paul Wensko, director of the Hazleton Area Vo-Tech School, the board approved the opening of a sheetmetal shop at that school for the upcoming term.

It was noted that a \$24,710 grant, approved for the shop, will cover the instructor's salary, fixed charges and part of the required equipment.

It was reported that an application for \$28,000 in additional funding is being processed through Appalachia for equipment, for which 25 percent in matching funds is required.

Frank Dushanko, the district's director of federal programs, was authorized to apply to the Pennsylvania Department of Education for a \$181,080 tentative allocation for remedial instruction and service. The figure includes \$5,040 for the program operated by United Charities Inc., of West Hazleton.

In other action, the board approved the installation of a master control in the new Hazleton High physics lab by Hazleton plumbing contractor Anthony Audakimow for \$577.89, and a hook-up of the fire alarm in the HHS annex with the main building's system by Beck Electric Construction Inc. for \$696.98.

Payment of \$6,129.78 for electrical work by Beck Electric in the HHS renovation project also was approved.

By a split vote of 8 to 1, the board awarded a contract to Playco Sales, Morris, Pa., for band bleachers at Harman-Geist Stadium for \$1,785. In favor were President James Capparell, Warren Zehner, Girard Stish, Thomas Elias, Joseph Zoba, Fred Barletta, James Chapman and Pat Capece. Opposed was Vic Piazzi.

Three cafeteria workers were hired: Mrs. Mildred Beisel, 443 Allen St., as kitchen manager at Hazle Elementary; Mrs. Margaret Brobst, Nuremberg, cook at Nuremberg Elementary; and Mrs. Rita Abboud, 530 North St., cook at West Hazleton High School.

Maternity leaves without pay, effective Sept. 1, were granted to Mrs. Margaret Gasper of the T. L. Hinkle Elementary School faculty, and Mrs. Rosalind Cambas, Hazleton High School English instructor. A similar leave, effective Oct. 22, was granted to Mrs. Audrey Passon, itinerant music teacher.

The board accepted resignations from the following teachers, all effective Sept. 1: Jane Sabulsky, McAdoo Elementary; Michaeline Kaplavka, Sugarloaf Elementary; Paula Conahan, Kelayres Elementary; Barbara Mergler and Carol Silberg, both of Beaver Meadows Elementary; Carol Gelgot, T. L. Hinkle Elementary; Mabel Turse, Arthur Street Elementary; Rosemary Pepper, Spanish teacher at West Hazleton High School; Frank Arlotto distributive education teacher at Hazleton High School; and Alvin Sabulsky, social studies at HHS.

The resignation of West Hazleton High School cafeteria worker Mrs. Dorothy Jones, effective immediately, also was accepted.

A contract to furnish coal was awarded to the Can-Do Sales Co., this city, at its low bid of \$22.75 per ton for rice and No. 1 buckwheat, and \$23.50 per ton for pea coal.

The only other bidder was Lehigh Valley Anthracite Inc., Pittston, whose prices were \$23.25 and \$23.95 respectively.

A contract to furnish fluorescent light fixtures was awarded to Power Electric Company, this city, low bidder at \$1,988. Among three other bidders was another Hazleton firm, Mountain City Electric Supply, whose price was \$2,715.

Opened and then tabled for review were bids for furnishing fuel oil, gasoline, paper towels and toilet tissue, audio-visual equipment and convertible term life insurance for school district employes.

[Omaha World Herald, Aug. 19, 1973]

INFLATION HITS SCHOOL LUNCHES

The Omaha Board of Education may be asked Monday night to approve a 5 cent increase in lunch prices for the 1973-74 school term.

A recommendation to raise prices will be made Monday afternoon to a committee of the board, according to Asst. Supt. Myrton Hall. If the recommendation is accepted the full board would vote on it when it meets at 8 p.m. in the Joslyn Castle carriage house, 3902 Davenport Street.

Lunch prices were last raised two years ago, and now are 35 cents for elementary students and 45 cents for junior and senior high. The new prices, if approved, would be 40 and 50 cents.

Hall said the increase is needed to offset rising costs in food, labor and maintenance. He said milk costs for instance, will be up about \$130,000 for the coming year.

Marjorie Roberts, director of food services for the school district, said she is planning expenditure of \$4.25 million. In the past, about two-thirds of the revenue came from student charges, and most of the remainder from government subsidy.

The three-member ad hoc committee of board members will present a progress report Monday night on the community committee being formed to explore integration methods, chairman Paul C. Kennedy said.

Earlier Monday, two board committees will meet, both in the carriage house. The finance committee convenes at 11 a.m., and the plants committee at 1 p.m.

[Des Moines Register, Aug. 22, 1973]

DES MOINES SCHOOL BOARD RAISES FOOD PRICES

(By Melinda Voss)

Des Moines public school children will begin this fall to pay more for school lunches which will contain cheaper food.

The Des Moines School Board Tuesday unanimously voted to raise prices of almost all food served in school cafeterias.

LUNCH, BREAKFAST

Prices for a student breakfast and a lunch will each increase a nickel. A lunch will cost 50 cents and a breakfast 20 cents.

Adults will pay 30 cents for a breakfast and 80 cents for a lunch, both increases of 5 cents.

The charge for a half-pint of milk will jump from 3 cents to 8 cents for students and from 7 cents to 8 cents for adults. School officials said the price may jump an additional 2 cents if the price of milk at the wholesale level increases.

A la carte prices, for such things as hamburgers and other sandwiches will vary according to the raw food cost.

School officials said the increases are necessary because of increased wholesale food prices and a decline in federal food commodities available for local school lunch programs.

"If prices continue to spiral there may need to be consideration of a second increase for the second semester," said Janice Dudley, director of food services, in a report to the board. The increase would likely raise the price of a student lunch to 55 cents, she said.

CHEAPER SOURCES

The type of foods served this fall also will change. Earlier this month, Mrs. Dudley said cheaper sources of protein such as peanuts and beans will be substituted for meat more often, although nutritional requirements will remain the same.

An approved lunch must contain 2 ounces of protein, three-fourth cup of fruit or vegetables, a service of bread, a teaspoon of margarine or butter and one-half pint of milk.

Such frills as whipping cream on pudding will be cut out, she said.

Food costs have risen an estimated 18 per cent since school closed last spring, Mrs. Dudley said. In addition, the amount of commodities the district is expected to receive this year will be only about 40 per cent of last year's total.

The increase in the milk price is caused by the federal government's failure to fund a special milk program that has been in existence since 1954, according to Vern Carpenter, chief of the food services division in the State Department of Public Instruction (DPI).

Under the program, the federal government reimbursed school districts for a major portion of the cost of milk.

[Springfield (Mass.) News, Aug. 22, 1973]

PRICES STRANGLE SCHOOL LUNCH MENU

In the face of rising prices and growing shortages, the director of Springfield's school lunch program, Paul Rannenberg will have to combine the talents of a magician, a miser and a watchdog to meet government-required standards for the 20,000 meals a day he plans.

Rannenberg has just received the new surplus commodity list, and because so many items are in very limited supply, he took his requirements to Boston today, in person.

His problems are mountainous.

BREAD PRICE LOW

He has signed a contract with a major local baker which includes USDA surplus flour to keep the bread price low. Now a shortage of flour threatens his supply.

A 25-pound case of dried eggs which cost slightly over \$14 last June was priced at \$60 this Tuesday.

"It's a complete turnabout," Rannenberg said. "Yesterday a dozen fresh eggs cost me 83 cents. The dried egg equivalent was \$1.65."

He's buying the fresh eggs under the circumstances, but it puts an increased strain on his labor force to use them. It takes more time to utilize them in cooking.

Rannenberg went to his office on Aug. 6, the first day of his vacation, to try to insure a meat supply for the first two weeks of school. His supplier of frankfurters (the same one used by the Friendly Ice Cream Corp.) had closed his doors, with no satisfactory quality equivalent in sight yet.

His two major local suppliers will guarantee delivery of hamburger because of previous good relations, but won't give him a price quotation until the day of delivery.

Tuesday's hamburger cost to him was \$1.25 a pound. It cost 85 cents last June. The frozen Australian beef which constitutes 60 per cent of the hamburger costs the wholesaler \$1.28 a pound now.

Rannenberg feels that after the Sept. 12 lifting of the ceiling, there will be beef available—but at very high prices.

COST 72 CENTS

The lunch which cost him 72 cents to produce last June . . . which was sold to schoolchildren for 30 cents . . . will probably cost 85 cents now, a difficult rise to absorb since the city's School Committee refused to allow him to charge 5 cents more a lunch.

A little help comes in the form of an extra 2 cents a meal which will be allowed by the government, starting in September. This brings government contributions to a total of 14 cents per meal—leaving city taxpayers to foot the bill for an additional 11 cents a meal, 20,000 times every school day.

Free lunches will still go to the needy, but tighter guide lines for these will be received within a month. School principals will have to submit more detailed reports about the needy this year.

"Although we have pushed portion control in the past, we must be even more rigid about it this year. It is vital, although hard to enforce," Rannenberg said.

Among the shocks on the food front this year, the worst to Rannenberg, was the realization that powdered milk is almost non-existent in industrial quantities.

There will be no more frozen ground pork. What is offered this month was left over at the end of the school year.

Potato chips are in very short supply. Potato sticks, a favorite garnish with the children, are non-existent. So are apple slices and applesauce. So are cheddar onions.

Dieed carrots are gone; Rannenberg ordered sliced carrots. He got only half the beets he had ordered.

HORSEMEAT NOT CONSIDERED

His supplier can guarantee him a supply of TVP (texturized soybeans to mix with meat) at last year's price until November; then it will depend on the crops and how much is exported. All Rannenberg's hamburger is mixed with 25 percent TVP.

"We have not yet considered horsemeat," he said.

He has enough cheese for the first two weeks of school, but Swift & Co. reports to him that it is becoming scarce and they have stopped production of three major varieties including American cheese.

He is guaranteed a supply of fish, but not what variety he'll receive. Suppliers will quote prices for a month at a time, will guarantee weight by the semester—but only in rigid one and three ounce portions. (Usually, a two and a half ounce portion is planned for elementary schoolchildren.)

More protein (fortified) spaghetti and macaroni have been ordered to cut down on necessary meat—but both are 40 percent more expensive than last spring. He is ordering a light colored TVP to blend with tunafish, veal and pork, instead of the darker TVP that blends with beef.

"We are not compromising on quality or the amount of protein offered, as in the past," said Rannenberg.

"But I do expect a major change in government requirements for school meals from Boston this year."

He points out that the first small sign of this is his first permission to serve flavored skim milk.

And he must constantly consider what children like to eat as well as what they should eat. "There's no sense in preparing meals that won't be eaten."

Rannenberg forecasts an increase in the free or 25 cent breakfasts served in 12 elementary schools and Chestnut Junior High School now, as well as the 30 cent lunches in every school.

"As supermarket prices make it more expensive to produce meals at home, more parents will want their children to eat school food."

It may well be that the hero, galloping to the rescue of school lunches, with an available and nutritious amount of protein, will be that All-American invention, the peanut butter sandwich.

[Newport News Press, Aug. 23, 1973]

HAMPTON RAISES SCHOOL LUNCH PRICES

(By Mary Dissen)

Lunches in the Hampton schools will cost 40 cents this year, a 5 cent increase tacked on by the Hampton School Board at its meeting Wednesday.

The increase—and a corresponding rise in price of adult lunches from 50 to 55 cents—came after the projection of a deficit in the program if old prices continued and a listing of specific increases in foods bought by the schools over the past year that showed, as examples, an 83.8 percent rise in the cost of bacon and a 70 percent jump in the price of sliced apples.

The projection of a \$260,700 deficit at the end of the 1973-74 school year and the listing of price increases were included in a report presented by the system's new cafeteria supervisor, Mrs. Beverly Lowe, who began by saying, "I didn't come here to tell you we need a price increase, I just wanted to tell you where we stand."

Supt. Garland R. Lively, who earlier this week said he anticipated no increase, recommended an increase, however, for the program that last year sold over 2.5 million lunches to students alone.

If the number of lunches holds constant this year, and federal reimbursement is increased through a recently introduced bill, the increase will leave the system with a \$170,000 balance at the end of the year, an amount to be used as a reserve fund necessary to keep 6 weeks of resources ready for bill payment.

Mrs. Lowe said the average food price increase would average out to about 30 percent, not including the rise in labor and equipment costs. She said a cafeteria program is not allowed to pass on anything but the increase in food

costs to students and that work hours had been shortened where possible in her department.

The cafeterias are beginning this school year with \$255,000 in reserve, with an additional \$28,000 in food and \$100,000 in commodities, a total above the \$365,000 needed for the six-week reserve fund.

In other business, the board approved a contract with Citizens Rapid Transit rewritten to reflect \$70,000 increase in cost to the city for the 47 buses leased to carry Hampton secondary students.

While Lively was authorized to sign the contract, and the board agreed to a letter attached by CRT asking the contract to be rewritten again if changes in legislation made it necessary, the board asked for more information, as quickly as possible, on how the schools could take over the operation.

Dr. Joseph Lyles, assistant superintendent for instruction, reported on progress by students enrolled in the Right to Read program, a federally funded project entering its third year at Thorpe Junior High School.

Seventh and eighth grade students participating showed an increase in reading level of one year, four months, according to scores on tests given last fall and last spring, bringing them from about a high third grade level to a low fifth grade level.

Lyles pointed out pre-program scores showed students in many cases had made half a year's progress each year in reading, but with the Right to Read curriculum had gained a year and a half in skills in one year.

The board also heard a report on a meeting Monday between school officials and City Manager C. E. Johnson in which the creation of a recreation commission was suggested to act as a coordinator between public facilities and programs offered by the schools, city recreation and parks departments and other city agencies. The concept was approved.

In construction matters, Dr. DeWitt Miller, assistant superintendent for administration, presented plans for an addition to Burbank School Library, estimated to cost about \$75,000.

He also received permission to continue on plans to enlarge the Pembroke High School cafeteria and raise seating capacity from 349 to 549 at an estimated cost of \$60,000.

A name for the new Marcella Road elementary school may come from a list submitted to the board from a citizen's group charged with selecting names which include the Darling family, the Sinclair family, B. Larrabee Carr, Frank A. Kearney, C. W. Miller and William Mason Cooper.

[Raleigh (N.C.) News & Observer, Aug. 25, 1973]

NORTH CAROLINA SCHOOLS FACE HIGHER FOOD COSTS

(By Angela Davis)

Many school cafeterias in North Carolina will be serving meatless meals this fall and some may be forced to close or lower their nutritional standards if food price and supply conditions do not improve.

In spite of increases in the prices of student lunches, several school services directors in Eastern North Carolina said in telephone interviews Friday that they may not be able to make ends meet this year unless conditions change.

The Nash County school system may have to discontinue serving lunches or lower its standards below the U.S. Department of Agriculture's minimum requirement for Type A lunches, food supervisor Ruth Turnage said.

"We just can't find protein foods at a price we can afford," she said, "and some other school units in the East are more in a predicament than we are, because the delivery services are not as feasible."

Several other food supervisors also said the USDA Type A lunch standard might have to be lowered.

North Carolina schools now serve the Type A lunch, which includes a minimum of two ounces of proteins, $\frac{3}{4}$ cup of fruit or vegetable, one serving of bread and a half pint of milk.

School lunches in Robeson County had previously been well above the minimum standard, said supervisor Ola Grimes, but they will be cut to the minimum this year.

Much less meat will be served in Robeson schools this year, she said. Supplements such as textured vegetable proteins and "Beef Crumbles" (a soybean product) will be relied on heavily.

These protein products will be mixed with ground beef or chicken said to stretch them further, she said.

Wake County food supervisor Ruth Robertson said this year "will be the most challenging for food services since the day of the food kitchen."

The prices of most staples is up 25 percent over last year, she said, with ground meat up almost 100 percent. Supplies are limited, she added.

"Instead of negotiating for food, we're almost in the position of begging for food."

Wake County may eventually be forced to serve some meatless meals, she said. However, Wake County parents will make that decision in a questionnaire, she said, by opting either for the same quality and high prices and meatless days at lower cost.

Perquimans County School Superintendent C. C. Walters said the problem is "of great magnitude" in his and nearby counties, and the state or governments will be called on for financial help if the crisis continues.

"We can't stop serving lunches here," he said. "For many of our students, it's the main meal they get. It's hard to teach hungry children."

Hugh O. Rollins, associate director of the Division of Food Service for the State Department of Public Instruction, said all schools will continue to serve the USDA Type A lunches.

His assessment conflicted with that of the local food supervisors.

Food managers "will have to stretch their imaginations," he said.

Although some substitutes will be made for meat—such as fortified macaroni and cheese and dried beans—the amount of protein will not be reduced, he said.

Some schools will serve meatless meals one or two days a week, he said. Many school systems will use powdered eggs or Grade B eggs for baking in places of fresh Grade A eggs, he said.

The situation is "tough all over the state," Rollins said, because food suppliers are reluctant to make bids. School systems have been told to accept milk bids with escalator clauses, he said. This means that the schools will continue to pay more as prices climb.

Most local food supervisors said that fresh chicken and pork have been dropped from the lunch menus. Many will rely on ground beef almost entirely for meat, but some have been unable to obtain any.

Frozen fish, bologna, canned meats, cheese, beans and soybean products will be used more than in the past.

"Some of us wonder if these foods will be acceptable to the age children we are serving," said Nash food director Ruth Turnage. "They like hot dogs and hamburgers better than fish."

Hot dogs are in short supply and some schools are considering serving turkey frankfurters. But the rising cost of hot dog rolls as well as meat will mean they are served less often.

Commodities donated to the schools by the U.S. Dept. of Agriculture are in short supply this year. Jay P. Davis, director of the food distribution Division of the N.C. Department of Agriculture, said he does not know how to advise local units who call asking advice.

"Food supplies are always fluctuating, but we've never had such a concentration of shortages as in the last couple of years."

"It's the same thing the housewife is experiencing," he said, "there is a very short supply of some foods and they're not cheap."

Last year's floods and poor crops will mean the supply of commodity vegetables may be lower, he said.

Many school units said they are presently unable to get any canned fruits or vegetables. Although last year's crop will soon be available it may be smaller.

[Washington Post, Aug. 29, 1973]

STUDENT LUNCH TO COST MORE

(By Judy Nicol)

Lunches will cost from 5 to 10 cents more this fall than last in most Washington area public schools and so will milk for those children who carry their lunches from home.

Much less meat will be served in Robeson schools this year, she said. Supplies in Virginia will serve lunches this fall for the same price as last year. The price of milk has gone up everywhere.

Camillo A. DiMuzio, acting director of food services for Prince Georges County, has decided to use soybean protein-called textured vegetable protein (TVP) in some lunches served in the county's 211 school cafeterias this fall.

DiMuzio said TVP will augment the meat protein in such dishes as spaghetti, lasagna, barbecue beef on a bun, meat loaf and pizza burgers.

"We are not cheating the children in protein," he said. "TVP is approved by the Department of Agriculture for use in school lunches and the protein is just as good for them."

DiMuzio will use TVP, he said, to save money. Food costs to schools have "just about doubled for everything since last year," he said. "Hot dogs have gone from 65 cents to \$1.29 a pound. Bologna was 62 cents last year, this time it is \$1.19. Salami was 67 cents, now it's \$1.33.

"We were looking for quite a bit of savings with TVP," he said, "then, pow, the price of soybeans goes up. But TVP still offers considerable savings at 50 cents a pound compared with ground beef at \$1.60.

Joseph M. Stewart, director of food services for the District schools, said he has no plans to use soybean protein this fall. "I'm sitting here wishing I was a Houdini. We are taking a serious look at our menu items right now, trying to see how we can hold the line," Stewart said.

"The only item that hasn't gone up is cod (fish)," "Who wants to eat breaded cod every day?" he asked.

Stewart said the cost of roast beef to the school has gone up from \$1.46 to \$2.50 a pound; ham from \$1.29 to \$1.80. Chicken thighs were 77 cents a pound last fall, \$1.08 in April, and this September he said, he didn't even get a firm to bid on his order for thighs.

Most Washington area public schools provide the "Type A" lunch required by the U.S. Department of Agriculture if a school system is to receive reimbursement for part of the cost of the meals.

The "Type A" lunch must include two ounces of protein, bread, butter, milk, a vegetable and fruit (or two of one or the other). The lunch is considered to provide one-third of the daily food needs of a child.

Last year, an Agricultural Department official said, the cost of each public school "Type A" hot lunch was 71 cents. Of this the federal government pays 29.6 cents, the state and local governments pay 16.3 cents and children pay 25 cents.

The 29.6 cent federal share of the cost of a public school lunch includes the special subsidies provided for lunches given free or at reduced cost to children from low income families.

For every school district providing "Type A" lunches—and that includes all school districts in the Washington metropolitan area—special federal subsidies for milk purchased separately from the school lunch meal will not be forthcoming this fall.

Last year \$96 million was provided for federal milk subsidies across the country. So far this year Congress has passed an only continuing resolution providing \$25 million for milk subsidies—the amount President Nixon has requested.

This amount is not sufficient, agriculture officials said, to provide subsidies for children who buy only milk at schools where hot lunches, which include milk, are offered. Milk subsidies still will go to pupils who attend schools where no hot lunches are offered, and to day-care pupils.

The D.C. board of education will offer lunches this fall at 35 cents for elementary school pupils and 40 cents for secondary school students. Last year prices were 25 and 30 cents, respectively.

Milk will cost 8 cents this fall, up from 2 cents.

School starts at 9 a.m., Sept. 6, in the District. The first two days of school will end at 12:15 p.m. Lunches will not be served until Sept. 10, the first full day of school.

In Alexandria schools, elementary pupil lunches will cost 40 cents, compared to 35 cents last year. Secondary school lunches (sixth grade and up) will be 50 cents, up from 45 cents. The price of milk will increase from 5 to 10 cents.

The first day of school in Alexandria will be Sept. 4 and lunch will be served that day.

In Falls Church public schools, elementary pupils' lunches will cost 45 cents this year, up from 35 cents. Meals at George Mason High School are catered by the Macke Co., which said the cost of an entree would be 50 cents this fall, up from 45 cents. Beverages are extra. The price of milk in the elementary schools

will increase from 5 to 10 cents for a half-pint carton. School starts in Falls Church on Sept. 4 and lunch will be served the first day.

In Arlington public schools, elementary school lunches will cost 50 cents this year, up from 40 cents. Secondary school lunches will be 55 cents, up from 45. The price of milk in Arlington will be 9 cents, up from 4 cents last year. The first day of school is Sept. 4, when lunch will be served.

In Loudoun County public schools, lunches increased from 30 to 35 cents for elementary school pupils and from 35 to 45 cents for middle and high school students. School will begin Sept. 4, except in the four year-round schools in the county where classes have been in session. Lunch will be served Sept. 4.

In Prince William County, the price of school lunches has increased 10 cents this year, from 35 to 45 cents for elementary pupils, and from 40 to 50 cents for high school students. Milk prices have increased from 5 to 10 cents for a half-pint of milk. Classes started Monday.

In Fairfax County public schools, lunches will cost 35 cents for elementary school pupils and 45 cents for high school students, the same prices as last year. Milk, however, will cost 10 cents if bought separately, up from 4 cents last year.

School will start in Fairfax County Sept. 4. School hours vary from school to school.

In Prince George's County, school lunches will increase from 45 to 50 cents for elementary school students and from 50 to 55 cents for secondary school pupils.

The price of milk will go up from 4 to 10 cents per carton in Prince George's schools. School will start Sept. 4. Hours will vary among the county's 235 schools.

In Montgomery County, the board of education has announced that the price of school lunches will remain at 50 cents for elementary school pupils and 55 cents for high school students. Milk has gone from 4 to 10 cents for a half-pint.

School will begin in Montgomery County on Sept. 4 and will remain in session all day. School hours vary by individual school. Lunches will be served the first day.

In Charles County school lunches will cost 40 cents for elementary school pupils, 50 cents for middle school pupils, and 55 cents for high school pupils. All prices are up 5 cents this year. The price of milk will increase from 4 to 10 cents.

The first day of school in Charles County will be Sept. 4 but hours for individual schools vary.

In Anne Arundel County the price of school lunches will remain at 45 cents this year for all students. Milk, however, will increase from 4 to 10 cents per half-pint. School will start Sept. 6, but hours vary in individual schools.

[Baltimore News American, Aug. 30, 1973]

SCHOOL LUNCH PRICE HIKE FOR STUDENTS, ADULTS

(By Joyce Price)

Baltimore County school officials have announced that increased food costs will necessitate a 5-cent hike in the price of school lunches for students and a 15-cent hike for adults, effective the first day of school, Sept. 6.

"In view of the tremendous increase in the cost of food items which we must purchase, there is no other way than to increase the prices of lunches," stated B. Melvin Cole, associate superintendent of Business and Finance for Baltimore County Schools.

"We had hoped we wouldn't have to impose an increase and we held off as long as we could. But we were priced right out of the market," Cole explained.

If food prices continue to rise, Cole said there will "probably be another increase" in lunch costs later in the year.

"I'm sure people will be disappointed that we had to do it, but they must realize we face the same problems they do in trying to stretch dollars," he said.

"The school lunch program must be self-supporting. The only tax funds provided for by the county are for the salaries of a small central supervisory staff," he added.

New lunch prices are as follows: Elementary Schools—45 cents, Middle Schools, 50 cents, Secondary Schools, 55 cents, and Adults—80 cents.

Cole said the higher lunch prices are required, in view of cost bids submitted to his office by food suppliers this month, most of which are much higher than last year.

For example, chuck steak, which last year sold for \$1.18 a pound will now cost school officials \$1.55 a pound. Fresh ham has jumped in cost from \$.84 per pound to \$1.35 a pound; bacon has skyrocketed from \$.99 to \$1.65 a pound, while chicken breasts have increased from \$.81 to \$1.34 a pound.

There are also tremendous increases in the costs of eggs, flour and margarine this year, Cole noted.

"And even with those much higher prices, we're not even sure the foods will be available," Cole said.

He pointed out that as of Tuesday his food services director, Walter Edwards, had been unable to locate a chicken supplier for the upcoming school year.

"Our school system uses about 15,000 pounds of chicken a month, which is a pretty sizable order, and Mr. Edwards has simply been unable to find anyone who can fill that order," Cole said.

"We expect to have problems finding enough poultry, pork, and beef to fill our needs. Those foods are just not available," he said.

In addition to the higher prices of school lunches this fall, children buying half-pint cartons of milk "at la carte" will also feel the pinch.

"We have already announced an increase in the price for a half-pint carton of milk, sold separately, from four cents to ten cents, because the U.S. Department of Agriculture has discontinued its subsidy on milk sold separately," Cole said.

He stressed that this increase does not affect milk which is sold as part of the Type A school lunch, only milk that is sold as a separate food item.